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Letter dated 23 April 2004 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

I write with reference to my letter of 28 January 2004 (S/2004/92). The Counter-Terrorism Committee has received the attached fourth report from China submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex). I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Inocencio F. **Arias**
Chairman
Security Council Committee established pursuant to
resolution 1373 (2001) concerning counter-terrorism

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Annex

Letter dated 21 April 2004 from the Permanent Representative of China to the United Nations addressed to the Chairman of the Counter-Terrorism Committee

With reference to the letter of the Chairman of the Counter-Terrorism Committee dated 16 January 2004, I have the honour to transmit herewith the further supplementary report of the Government of the People's Republic of China on the implementation of Security Council resolution 1373 (2001) concerning counter-terrorism (see enclosure).

(*Signed*) **Wang** Guangya
Ambassador
Permanent Representative of China to the United Nations

Enclosure

[Original: Chinese]

Fourth report by China on the implementation of Security Council resolution 1373 (2001)

April 2004

1. Implementation measures

Criminalization of terrorist acts and their financing

1.1 The CTC would appreciate receiving a progress report on:

The enactment of a draft criminal law dealing with terrorism (third report at page 6);

The ratification of the two remaining international conventions and protocols relating to terrorism to which the People's Republic of China has yet to become a party;

The implementation in domestic law of the international instruments relating to terrorism, which the People's Republic of China has already ratified, with particular regard to a list of the penalties prescribed for offences created in order to meet the requirements of the Conventions and Protocols.

China has already become a party to ten of the twelve international Conventions and Protocols relating to terrorism, and at present is actively studying the ratification of the International Convention for the Suppression of the Financing of Terrorism. It is also conducting an in-depth study of the Convention on the Marking of Plastic Explosives for the Purpose of Detection.

In the Macao Special Administrative Region (SAR), the Convention on Offences and Certain Other Acts Committed on Board Aircraft, the Convention for the Suppression of Unlawful Seizure of Aircraft, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, the International Convention against the Taking of Hostages, the International Convention for the Suppression of Terrorist Bombings, and the Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents, are all applicable; their applicability is the same as that for the international provisions to which China is subject.

The following circumstances are deemed to be criminal offences under the relevant provisions of the Macao Penal Code:

- Article 276 criminalizes endangering the safety of transport, especially including that of air transport, and imposes a penalty of from three to ten years' imprisonment for such offences.
- Article 275 criminalizes the seizure of aircraft, shipping or railway trains and/or diverting them from their routes, and imposes a penalty of from five to fifteen years' imprisonment for such offences.

- Articles 154 and 152 separately criminalize and impose penalties for kidnapping and deprivation of other persons' freedom of action; article 155 criminalizes the taking of hostages for purposes related to politics, ideology, world view or religion, and imposes a penalty of from three to twelve years' imprisonment for such offences.

If the foregoing offences result in serious consequences, the minimum and maximum penalties are increased by one-third. Similar penalties are imposed for those who are accessories to, are complicit in, or attempt to commit such offences.

- Articles 262, 264 and 265 separately criminalize and impose penalties for offences involving prohibited weapons and explosives, the causing of fires and explosions or other particularly dangerous acts, and nuclear energy. The use of explosive devices or explosive materials can be punished. Article 266 criminalizes the act of making preparations for such offences, and article 273 specifies penalties when such offences result in serious consequences. Punishments for those who are accessories to, are complicit in, or attempt to commit such offences are imposed on the basis of similar principles.

- Article 308 criminalizes offences against internationally protected persons, including infringements upon their lives, bodily integrity, liberty or reputations. Article 310 stipulates that the filing of a formal complaint is a condition for punitive action and sets the objective conditions for carrying out the legal procedure. Infringements upon the lives, bodily integrity, or liberty of such persons are punishable by terms of from one to eight years' imprisonment; infringements upon their reputations are punishable by a maximum two years' imprisonment or the levying of fines. Similar penalties are imposed for those who are accessories to, are complicit in, or attempt to commit such offences, but only in connection with infringements upon the lives, bodily integrity, or liberty of internationally protected persons.

1.2 In response to subparagraph 1 (b) of the Resolution, the People's Republic of China refers, in its reports, to articles 120 and 191 of the Criminal Law. The CTC notes that those deal only with the financing of terrorist organisations or concealment of the illegal nature of funds. Effective implementation of subparagraph 1 (b) of the Resolution, however, requires a State to have in place provisions specifically criminalizing the wilful provision or collection of funds by its nationals or in its territory, by any means, directly or indirectly, with the intention that the funds should be used in order to carry out a terrorist offence. For the purposes of this subparagraph, it is not necessary for the funds actually to be used to carry out a terrorist offence (see article 2, paragraph 3, of the International Convention for the Suppression of the Financing of Terrorism). Such acts are sought to be criminalized even if:

The only related terrorist act takes place, or is intended to take place, outside the country;

No related terrorist act actually occurs or is attempted;

No transfer of funds from one country to another takes place; or

The funds are of a legal origin.

The CTC would welcome a clarification of how the relevant provisions of the Criminal Law address these requirements. In the absence of such relevant legal provisions, please indicate the measures that the People's Republic of China has taken or intends to take in order fully to meet the requirements of this aspect of the Resolution.

Article 120, subparagraph 1 of the Criminal Law of the People's Republic of China criminalizes the financing of terrorist organisations or the engagement in terrorist activities by individuals, thus satisfying the Resolution's requirement that States specifically criminalize the wilful provision or collection, by any means, directly or indirectly, of funds by their nationals or in their territories with the intention that the funds should be used, or in the knowledge that they are to be used, in order to carry out terrorist acts. The article does not limit the location of the terrorist organizations or activities to within the country, nor does it require that only organizations or individuals who have already carried out actual terrorist activities be punished, and it places no restrictions on the origins or transfer routes of the financing involved.

1.3 Regarding the reference by the People's Republic of China in its first report (at page 7) to articles 249, 294 and 300 of the Criminal Law, as well as the reference to article 22 of the Societies Ordinance of the Hong Kong Special Administrative Region, the CTC would appreciate receiving an outline of how these provisions address recruitment to terrorist bodies, including:

Through deception, such as a representation that the purpose of recruitment is different from the true purpose (e.g. teaching);

Through other activities undertaken by people who do not actually belong to an unlawful association.

The Hong Kong Special Administrative Region does not currently have regulations dealing specifically with recruitment to terrorist bodies. Generally speaking, however, Section 22 of the Societies Ordinance (Chap. 151) should be applicable to recruitment to terrorist bodies. Moreover, in May 2003 the Government of the Special Administrative Region submitted to the Legislative Council a revised draft of the United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575) for 2003, of which a new Section 10 provides that any person who is aware that, or has reasonable cause to believe that, a given group is a listed terrorist group, may not recruit another person to become a member of that group. Thus recruitment of members of a terrorist organization is a criminal offence, regardless of the method used to carry out the recruitment. The draft regulations are currently under review by the Bills Committee of the Legislative Council.

1.4 The CTC notes from the supplementary report (at page 13) that Chinese courts do not appear to have jurisdiction over a foreign national residing in China who is accused of having committed an act of terrorism abroad, unless those crimes are committed against the People's Republic of China or its citizens. With regard to effective implementation of subparagraphs 2 (d) and (e) of the Resolution, please outline how the People's Republic of China would deal with a foreign national who is present in the People's Republic of China and is suspected of having committed a terrorist act abroad, in light of the "prosecute or extradite" (*aut dedere aut iudicare*) principle of international law? Are there any mandatory legal provisions in this regard in the legislation

of the Hong Kong and the Macao Special Administrative Regions? With regard to the response of the People's Republic of China to subparagraph 3 (g) of the Resolution (at page 16 of the first report) the CTC would be grateful for an outline of whether China (including the Hong Kong and the Macao Special Administrative Regions) recognises a claim of political motivation as ground for refusing a request for the extradition of alleged terrorists? If the answer is in the affirmative, please indicate the measures that the Peoples Republic of China has taken or intends taking in order to meet the requirements of this aspect of the Resolution in full.

According to the relevant provisions of the Criminal Law of the People's Republic of China, Chinese legal organs have jurisdiction over foreign nationals present in China who are suspected of having committed acts of terrorism abroad against citizens of the People's Republic of China. With regard to foreign nationals residing in China who are suspected of having committed acts of terrorism abroad not aimed at citizens of the People's Republic of China, the relevant Chinese authorities would proceed in accordance with the applicable provisions of the international counter-terrorism conventions to which China has already acceded.

Criminal activities usually engaged in by terrorists, or criminal activities usually connected with terrorism, are deemed offences under the current criminal laws of the Hong Kong SAR and are covered under legislation enacted specifically to implement multilateral conventions, as well as most criminal laws. Extradition and mutual legal-assistance arrangements are also applicable to such offences.

According to the Fugitive Offender Ordinance (Chapter 503), if it appears to the Government of the Hong Kong SAR that the legal jurisdiction requesting the hand-over of any person is doing so in respect of offences of a political character, such persons shall not be handed over. However, the Government of the Hong Kong SAR has signed agreements with individual jurisdictions regarding the hand-over of fugitive offenders that allow it, under appropriate circumstances, to designate certain offences as not being of a political character; such offences include some that are frequently committed by terrorists (e.g. murder).

The Macao Special Administrative Region is currently reviewing draft anti-terrorism legislation from the technical and policy standpoints. In the draft, the Macao Penal Code is deemed to be applicable in cases where foreign nationals residing in the Macao Special Administrative Region commit terrorist acts abroad; courts in the Macao SAR therefore have jurisdiction in such cases.

The matter of extradition does not fall within the purview of the autonomy of the Macao Special Administrative Region. But in accordance with provisions of article 94 of the Basic Law of the Macao Special Administrative Region, the Macao Special Administrative Region may, with the assistance and authorization of the Central People's Government, make appropriate arrangements for reciprocal judicial-assistance relationships with foreign States.

The Macao Special Administrative Region is currently drafting legislation with regard to international criminal and judicial assistance, setting out general principles and stipulations in that regard; one section will deal with the extradition of fugitive offenders. At present, the basic principles for declining assistance under this legislation are being analysed.

Effectiveness in the protection of financial system

1.5 Regarding the implementation of subparagraph 1 (a) of the Resolution, the CTC would appreciate it if the People's Republic of China would describe how its anti-money-laundering regime and the measures which it has taken to supervise the offshore sector of the Hong Kong Special Administrative Region as well as of the Macao Special Administrative Region, with particular regard to international business companies (IBCs), lead to the effective implementation of the relevant provisions of the Resolution. Please also outline the financial rules and laws in force that are aimed at preventing offshore banks and IBCS from carrying out transactions linked to terrorist activities. The CTC would further be interested in receiving information concerning banks which, although not directly engaged in financial operations in the People's Republic of China, are nevertheless involved in the receipt or transfer of funds, held in foreign currency, through the use of bank accounts in relevant countries.

At present, the Chinese Ministry of Finance has not drawn up financial regulations for overseas branches of Chinese banks aimed specifically at preventing terrorist activities. However, the Ministry will actively study corresponding systems and regulations and make concrete requirements for ways to strengthen the financial administration of overseas branches of Chinese banks based on substantive conditions, so as to realistically interdict financial transactions connected with terrorism.

Under the laws of the Hong Kong SAR, financial institutions are required to report to the law-enforcement authorities transactions suspected of having connections with money-laundering or financing terrorism. Among these laws, Section 12 of the United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575) stipulates that any person (including financial institutions and commercial enterprises) who knows or suspects that any property belongs to terrorists or is being used for terrorist activities must disclose that information to the law-enforcement authorities; failure to do so is deemed an offence.

The financial regulatory authorities of the Hong Kong SAR (the Hong Kong Monetary Authority, the Securities and Futures Commission of Hong Kong, and the Office of the Commissioner of Insurance) occasionally publish international standards in this regard as well as legal guidelines, so as to remind financial institutions to comply with the relevant laws and regulations; the financial regulatory authorities also provide the list of known terrorists to financial institutions.

Any organization wishing to provide banking services in the Hong Kong SAR must obtain the relevant licenses, issued by the Hong Kong Monetary Authority, in order to become an "authorized (financial) institution". For this reason, there is no such thing as an "offshore bank" in the Hong Kong SAR. Under the current regulatory system, every authorized institution, regardless of place of registration and of whether or not it is operating as a local and/or offshore bank, must comply with the relevant anti-money-laundering and terrorism financing guidelines published by the Hong Kong Monetary Authority. All overseas branches and subsidiary companies of an authorized institution (including offshore booking centres) must also comply with the guidelines.

If an authorized institution provides offshore banking services, it must implement adequate identity-verification procedures for its customers, and also verify that its customers are not known terrorists of any kind. Any suspicious transactions must be reported to the law-enforcement authorities.

If an authorized institution has agency relationships with other overseas banks, it must understand the nature of their business operations, management structures, measures against money-laundering and the financing of terrorism, the local banking regulations under which they operate, and the purpose for which the accounts in question are being opened. They are also required to ascertain whether or not the third parties involved in establishing such accounts have been authorized by the overseas agent banks to use their agent accounts to transact business directly, and must verify the identities of those third parties. An authorized institution may not set up agency relationships with "shell" banks.

Under the respective provisions of the Companies Ordinance and the Inland Revenue Ordinance, the relevant agencies of the Government of the Hong Kong SAR, including the police, the Companies Registry, and the Inland Revenue Department are responsible for the registration, supervision and taxation of business companies. The communication networks established among these agencies provide a framework of law enforcement for preventing and investigating assistance to terrorist activities on the part of such companies. The relevant registration and tax records contain written documentation regarding the beneficiaries, holders, directors, senior managers and finances of such companies, which assists law-enforcement agencies in the pursuit of their investigations.

The foregoing measures assist in preventing financial institutions and business companies in the Hong Kong SAR from carrying out transactions linked to terrorist activities.

The primary legislation governing the activities of offshore institutions in the Macao Special Administrative Region is the Offshore Regime of Macao (Decree-Law No. 58/99/M of 18 October 1999). Under the relevant provisions of this legislation, offshore institutions are classified as either financial or non-financial entities according to the nature of their operations, and the two categories are respectively supervised by two separate specialized agencies. The Macao Trade and Investment Promotion Institute is responsible for supervising the activities of offshore non-financial institutions, while the Monetary Authority of Macao controls the activities of offshore financial institutions, including offshore banks.

The current Offshore Regime is already capable of effectively preventing offshore banks from being used to carry out transactions linked to terrorist activities. For example, the legislation requires that an offshore bank's primary shareholder be a financial institution, that the offshore bank in question be set up with the approval of the regulatory authority of its state or territory of origin, and that the shareholders and managers associated with it also be examined to ensure that they meet appropriate selection and professional competency standards. This not only normalizes the activities of offshore banks, placing them under the dual supervision of the regulatory authorities of their states or territories of origin and of the Monetary Authority of Macao, but also increases the transparency of the offshore banks' activities and backgrounds. Of even greater importance is the fact that the legality of their funds' origins can thus be confirmed.

In addition to the Offshore Regime, offshore banks must also adhere to anti-money-laundering regulations and rules of conduct that are the same as those for local banks. Such regulations include requirements for knowledge of customers, the preservation of transaction records and the reporting of suspicious transactions. The Monetary Authority of Macao also conducts periodic field inspections of offshore banks to determine the extent to which they are complying with the relevant regulations.

As for the supervision of banks which, although not directly engaged in financial operations in the People's Republic of China, are nevertheless involved in the receipt or transfer of funds through the use of accounts opened in local banks, local banks are in principle required to implement thorough customer-verification measures so as to obtain background materials and understand the nature of the operations of this type of bank.

1.6 The CTC would be grateful for an explanation of the rules used in mainland China as well as in the Macao and the Hong Kong Special Administrative Regions to identify persons or entities:

Which maintain a bank account;

On whose behalf a bank account is maintained (i.e. beneficial owners);

Who are the beneficiaries of transactions conducted by professional intermediaries; and

Who are connected with a financial transaction.

Please indicate whether the People's Republic of China imposes identification obligations on persons who operate trusts, to obtain information about the trustees, settlers/grantors and beneficiaries of such a trust. Please also outline the procedures in place in the People's Republic of China that enables foreign law-enforcement agencies or other counter-terrorist entities to obtain such information in cases where terrorism is suspected. The CTC would further request an outline of the steps that the Government of the Hong Kong Special Administrative Region has taken or intends taking to prevent the use of "shell" companies, IBCs and other mechanisms that conceal the beneficial ownership of account.

The relevant guidelines issued by the financial regulatory authorities of the Hong Kong SAR (the Hong Kong Monetary Authority, the Securities and Futures Commission of Hong Kong, and the Office of the Commissioner of Insurance) set out clear and detailed procedures for verifying identification, including for individual customer, company, trust and agent accounts, customers introduced via intermediaries and so on. Generally speaking, these procedures include verification of the identities of customers and of any beneficial owners on the basis of reliable and independent documentary materials and data.

Before establishing business relationships with corporate customers, authorized institutions must verify the identities of the beneficial owners, actual shareholders and other persons involved with the accounts in question in order to forestall the use of "shell" companies or the concealment of the true identities of account holders in business companies or other entities. Authorized institutions must also exercise particular prudence when establishing any relationship with companies whose capital is made up mostly of unregistered stock. If necessary, the authorized

institution should itself take possession of such stock so as to prevent it being transferred at will.

In its Circular No. 072/B/2002-DSB/AMCM of 9 May 2002, the Monetary Authority of Macao formulated anti-money-laundering guidelines for credit institutions based on the "Know your Customer" guidelines issued by the Basel Committee on Banking Supervision and the 40 recommendations of the Financial Action Task Force on Money Laundering (FATF), along with those stemming from the mutual evaluation on Macao China by the Asia/Pacific Group on Money Laundering (APG). The Macao guidelines stipulate that credit institutions should establish systematic procedures for verifying the identity of new customers, and should not open accounts for customers whose identities cannot be verified. Credit institutions may not open accounts for or conduct business with customers who insist on anonymity or who provide fictitious names. When numbered accounts are requested in order to provide additional protection for the identity of the account-holders, those identities must be known to a sufficient number of staff so that appropriate checks can be carried out. In no circumstances may the credit institution use such numbered accounts to hide the identity of the customers from supervisory authorities.

When opening accounts for individual customers, credit institutions should obtain the customer's name, permanent residential address, date and place of birth, name of employer or nature of self-employment, specimen signature and source of funds, and verify that information against documents issued by an official authority. Where there is face-to-face contact, the customer's appearance should be verified against an official document bearing a photograph.

When opening accounts for corporate customers, credit institutions should obtain the customer's incorporation documents, tax declarations, articles of association and other important documents as well as identification documents for the customer's principal shareholders, directors and other authorized persons, and the resolution of the customer's board of directors [to open the account].

Credit institutions should verify the existence and business of the corporation or business entity; for large corporate accounts, a financial statement should also be obtained. Additionally, credit institutions need to prevent corporate business entities from being used by natural persons as a means of operating anonymous accounts. Credit institutions should determine the true identity of the ultimate owners of the corporation.

Credit institutions should exercise caution when offering correspondent banking services, and must fully understand the nature of the respondent bank's business, its managers, its major business activities, the conditions of anti-money-laundering enforcement in its jurisdiction of origin, and the purpose for which the correspondent banking account is being opened.

Credit institutions should ensure proper segregation of duties among staff involved in account-opening procedures, and all new accounts should be examined and approved by senior staff. The process of customer identity verification should be carried out at the beginning of the relationship; credit institutions must regularly review current account records so as to ensure that they are accurate and up-to-date.

Credit institutions should ascertain whether a customer is acting on behalf of another person as trustee, client or professional intermediary (e.g. a lawyer or

accountant). If so, credit institutions should obtain satisfactory evidence of the identity of any intermediaries and of the persons on whose behalf they are acting, as well as details of the nature of the trust or other arrangements in place. The procedures for identifying nominee customers are no different from those for identifying other customers. If the credit institution is unable to establish the identity of the person(s) for whom the intermediary is acting, it should refuse to open the account.

1.7 Effective implementation of subparagraph 1 (a) of the Resolution, as well as article 18 of the International Convention for the Suppression of the Financing of Terrorism, require the legal provisions which oblige financial intermediaries (such as lawyers, accountants, notaries and other professionals, when engaged in financial transactions) to identify their clients and to report suspicious transactions to the relevant authorities. The third report of the People's Republic of China (at page 5) states that the Macao Special Administrative Region has not yet taken measures to make the reporting of suspicious transactions obligatory for lawyers, notaries, auditors and accountants. The CTC also notes from the third report (at page 3), that the Administrative Rules for the Reporting of Large-Value and Suspicious RMB Payment Transactions do not appear to be applicable to professionals engaged in financial transactions in mainland China. Given the above, the CTC would appreciate receiving a progress report as well as an outline of the additional steps the People's Republic of China intends to take in order fully to comply with this aspect of the Resolution.

Effective implementation of subparagraph 1 (a) of the Resolution, as well as article 18 of the International Convention for the Suppression of the Financing of Terrorism, require the legal provisions which oblige financial intermediaries (such as lawyers, accountants, notaries and other professionals, when engaged in financial transactions) to identify their clients and to report suspicious transactions to the relevant authorities. According to provisions of article 4 of the newly revised Law of the People's Republic of China on the People's Bank of China giving the People's Bank responsibility for directing and deploying anti-money-laundering efforts in the financial sector and for monitoring capital to combat money-laundering, the People's Bank is setting up a financial information centre for monitoring capital to combat money-laundering, and is broadening the scope of its anti-money-laundering duties to include not only the banking industry but the financial industry as a whole. In order to combat money-laundering activities even more effectively, the Standing Committee of the National People's Congress has begun the work of drafting anti-money-laundering legislation; it has already set up a leading group, and the People's Bank has assigned staff from the relevant departments to participate in the drafting work. Once ratified, such anti-money-laundering legislation will ensure that the financial intermediaries cited in the foregoing query will be liable for reporting suspicious transactions.

Article 6, paragraph 1 of the Rules Governing Anti-Money-laundering Efforts of Financial Institutions, promulgated in January 2003, sets out the principle of the People's Bank of China and other financial institutions' full cooperation with judiciary and law enforcement authorities: "Financial institutions shall assist the judiciary and/or law enforcement departments, including the customs and taxation authorities, in combating money-laundering in accordance with relevant laws and

regulations through making inquiries about, freezing or suspending the transfer of suspicious customers' deposits."

The administrative regulations on assistance from financial institutions in the investigation, freezing or suspension [of accounts], issued by the People's Bank in January 2001, set out clear and detailed provisions specifying the departments that are authorized to investigate, freeze or suspend [accounts], the scope of their authority, and the procedures required. According to these regulations, assistance in investigation means the supplying by financial institutions to the duly empowered authorities, in accordance with the provisions of the relevant laws or administrative regulations and in response to requests for information by the duly empowered authorities, of information about the monetary amounts, types of currency and other data regarding the deposit accounts of corporations or individuals. Assistance in freezing [accounts] means the prohibition by financial institutions, in accordance with the provisions of the relevant laws and in response to requests for such freezing by the duly empowered authorities, of the withdrawal by administrative units or individuals of all or part of the holdings in their deposit accounts within a specified period of time. Assistance in suspension [of accounts] means the transfer by financial institutions, in accordance with the provisions of the relevant laws and in response to requests for such suspension by the duly empowered authorities, of all or part of the capital in the deposit account of an administrative unit or an individual to a designated account.

The current Law of the People's Republic of China on Certified Public Accountants lacks specific provisions with regard to the issue of requiring certified public accounting firms and certified public accountants to verify the identities of their customers or to report suspicious transactions to the authorities. China intends to further study the need for and feasibility of dealing with issues of this kind.

According to the relevant provisions of China's specific independent auditing standards, when an accounting firm provides auditing services, it should have a basic understanding of the administrative unit being audited, and should sign an auditing contract. When a certified public accountant suspects a senior manager of involvement in violations of anti-money-laundering regulations, the accountant should report it to a manager at an even higher level of the company being audited; if it is the most senior managers that are involved in illegal activity, the certified public accountant should consider taking appropriate measures, seeking the advice of lawyers or terminating the contract when necessary.

At present, lawyers, notaries public, auditors, accountants and other professionals in the Macao Special Administrative Region are not legally obligated to report suspicious transactions. However, in the latest revision of the Region's anti-money-laundering legislation, consideration is being given to requiring the aforementioned professionals to report suspicious transactions as a matter of legal duty.

In order to implement Security Council resolution 1373 (2001), The Macao SAR has drawn up a draft law on combating terrorism, which is currently being reviewed from the technical and policy angles. Consideration is also being given to adding a number of provisions to this legislation, assigning some special obligations to financial institutions and other intermediaries in financial transactions (such as lawyers, accountants, notaries public and so on). These obligations would include

that of distinguishing the identities of contractors and clients, and that of reporting suspicious and large-value transactions to the regulatory authorities.

1.8 Do authorities in the People's Republic of China audit financial institutions to verify compliance with requirement to submit suspicious transactions reports? Are exchange bureaux and remittance agencies routinely audited? How often are financial institutions subject to such audits? The CTC would appreciate receiving the number of suspicious transactions reports (STRs) received by the competent authorities in the People's Republic of China, with particular regard to STRs from:

Banks;

Insurance sector;

Money remittance/transfer services;

Exchange bureaux;

Other financial intermediaries (for example, notaries, accountants, etc.).

The CTC would also be grateful if the Peoples' Republic of China would indicate the number of STRs that were analysed and disseminated, as well as how many of these have led to investigations, prosecutions or convictions. The CTC would appreciate receiving information as to whether any cases involving failure to comply with reporting obligations have been detected, and whether any sanctions have been imposed as a consequence. Please also provide the CTC with the relevant data from the Hong Kong and the Macao Special Administrative Regions.

China's Ministry of Public Security has consistently placed major emphasis on investigating leads turned over by financial institutions and foreign-exchange administration organs with regard to large-value and suspicious transactions. To date, leads on 18 cases of large-value and suspicious renminbi (RMB) transactions have been turned over by the Anti-Money Laundering Bureau of the People's Bank of China; five of those cases were suspected of involving illegal foreign-currency transactions and other such criminal activities. Local public-security units also receive numerous leads from financial institutions and foreign-exchange administration organs with regard to large-value and suspicious transactions. In November of 2003, the Ministry of Public Security and the State Administration of Foreign Exchange jointly issued regulations on cooperation between those two institutions on combating money-laundering in the foreign-currency sphere; these regulations clarified the respective domains of responsibility of public-security and foreign-exchange administration authorities in their cooperation on combating money-laundering in the foreign-currency sphere, as well the mechanisms, content and procedures of the cooperation itself. Currently, the Economic Crime Investigation Department (ECID) of the Ministry of Public Security has taken full charge of drafting regulations regarding the Ministry's cooperation with the People's Bank of China on combating money-laundering.

In 2003, the Joint Financial Intelligence Unit (JFIU), comprising staff from the Hong Kong Police and the Hong Kong Customs and Excise Department, received 11,678 suspicious transactions reports (STRs). Of these, 11,393 came from the banking sector, 72 from the insurance sector, 67 from money remittance and currency-exchange firms, and the remaining 146 from financial intermediaries of

other types. The police and customs authorities analysed all the STRs on the basis of the information collected, and undertook further investigations with regard to 1,381 of them, but found no substantiated cases of terrorist financing. For that reason, these investigations have not resulted in any prosecutions or convictions for terrorist financing crimes, nor have the police and customs authorities uncovered any instances of failure to comply with reporting regulations.

The Monetary Authority of Macao conducts periodic on-site and continuous off-site investigations of banks, financial intermediaries, currency exchanges and cash express delivery companies; on-site investigations are generally carried out once every two years. Anti-money-laundering control systems are a major focus of the on-site investigations. The scope of the assessment comprises policies and principles as well as regulations, control procedures, supervisory systems, the hiring of internal supervisors, reporting systems, suspicious transaction follow-up and document filing, staff training and awareness-raising arrangements. If any flaws or insufficiencies are discovered, the relevant authorized institution is requested to take corrective action; when necessary, penalties are also imposed.

In accordance with Decree-Law No. 24/98/M, all financial institutions operating under the authorization of the Monetary Authority of Macao are responsible for reporting transactions suspected of involving the laundering of funds from illicit activities to the Judicial Police, as well as for notifying the Monetary Authority. Banks reported 77 and 107 cases in 2002 and 2003 respectively to the Judicial Police.

1.9 Regarding the effective implementation of subparagraph 1 (a) of the Resolution, the CTC would appreciate it if the People's Republic of China would elaborate on the functions of the agencies which are responsible for the implementation of paragraphs 1 (a), (c) and (d) of the Resolution, as well as on the legislative provisions for which they hold responsibility to enforce. Similar information is also requested in relation to the Hong Kong and the Macao Special Administrative Regions. The CTC would further appreciate learning whether the relevant competent authorities have sufficient resources (human, financial and technical) to enable them to carry out their mandates. Please provide appropriate data in support of your response.

The Chinese public-security authorities are responsible for investigating the suspected criminal activities specified in paragraphs 1 (a), (b) and (c) of Security Council resolution 1373 (2001).

In July 2002, the Government of the Hong Kong SAR drafted the United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575), with a view to implementing the provisions of paragraphs 1 (a), (c) and (d) of Security Council resolution 1373 (2001). The Hong Kong Police are the primary law-enforcement agency responsible for implementing the relevant sections of the Ordinance, and have been provided with sufficient resources (human, financial and technical) to enable them to fulfil their functions. The units responsible for enforcing the law comprise 80 fully budgeted police and civilian accountant staff members.

1.10 Please identify the authorities in the People's Republic of China (including the Hong Kong and the Macao Special Administrative Regions) which are responsible for ensuring that the money transmission services, including informal money or value transfer systems are in compliance with the relevant

requirements of the Resolution. The CTC would also appreciate knowing how many money remittance/transfer services are registered or licensed in mainland China as well as in the Hong Kong and the Macao Special Administrative Regions. Please outline the administrative mechanisms that have been put in place to prevent informal money/value transfer systems from being used for the purpose of financing terrorism.

According to the Organized and Serious Crimes Ordinance (Chapter 455) of the Hong Kong SAR, all remittance agencies and currency exchangers must be registered with the police. When handling transactions exceeding HK$ 20,000 in value, they are required to keep detailed records of each transaction, verify the customer's name and identity, and retain the record for not less than six years; failure to do so is a violation of the law.

As of 2003, there were 1,083 registered remittance agencies and currency-exchange merchants in the Hong Kong SAR. In order to prevent these institutions from being used to finance terrorism, the police have issued guidelines to them with regard to combating money-laundering and terrorist financing, and also periodically circulate lists of known terrorists and announcements from the Financial Action Task Force, conduct appropriate training workshops as well as inspections of these institutions' business operations, provide observations and assistance with regard to their internal guidelines, and generally maintain close contacts with them. The police will prosecute those firms that are unregistered or that violate the regulations.

In the Macao SAR, all currency-exchange firms and cash-remittance companies are subject to the supervision of the Monetary Authority. There are currently 10 currency-exchange firms and two cash-remittance companies authorized to operate in Macao. In accordance with Decree-Law No. 24/98/M, these institutions are required to report suspicious transactions. Moreover, in 2002 the Monetary Authority published guidelines on large-value cash transactions; these guidelines apply to all credit institutions, currency exchange firms and cash-remittance companies. Under the guidelines, if the value of a transaction equals or exceeds US$ 2,500, the authorized institution must retain information on the identity of the customer involved as well as records of the transaction itself.

To crack down on irregular remittance activities, the Monetary Authority uses a series of administrative measures, including the issuance of guidelines to authorized institutions outlining the risks of conducting transactions with entities that are suspected of engaging in unauthorized financial activities, and requiring authorized institutions to report any suspicious transaction to the Monetary Authority and to the Judicial Police. On the basis of reports by authorized institutions as well as information from other sources, the Monetary Authority and Judicial Police can take joint action to crack down severely on illegal remittance institutions of this type.

As of January 2004, there were 25 firms authorized to provide funds-remittance services in the Macao SAR, including locally chartered banks, local branches of banks chartered overseas, offshore-operations banks, other credit institutions and cash-remittance companies.

1.11 In relation to money-laundering and the financing of terrorism, the CTC would be grateful to receive an outline of any special strategy which the Peoples' Republic of China may have developed with a view to enabling its investigative agencies effectively to prevent resources from being transferred to terrorists (e.g. under-invoicing of exports and over-invoicing of imports, manipulation of high value goods such as real estate, gold, diamonds, etc.).

As described above, the Chinese authorities concerned have issued notices and implemented regulatory systems concerning this issue, and are in the process of formulating legislation in this regard.

1.12 With regard to effective implementation of subparagraph 1 (a) of the Resolution, does the People's Republic of China (including the Hong Kong and the Macao Special Administrative Regions) provide training to administrative, investigative, prosecutorial and judicial authorities for enforcing laws related to:

Typologies and trends on terrorism financing methods and techniques;

Techniques for tracing property that is the proceeds of crime or is to be used to finance terrorism and ensuring that such property is seized, frozen and confiscated.

The CTC would appreciate receiving an outline of corresponding programs or/and courses, as well as the mechanisms/programs that the People's Republic of China has in place to educate different economic sectors on how to detect suspicious and unusual transactions related to terrorist activities and to prevent the movement of illicit money.

The Chinese Ministry of Public Security attaches great importance to the training of personnel responsible for investigating economic crimes. In August 2003, the Ministry conducted an initial training course in several provinces and municipalities, in which training was provided to personnel with the relevant responsibilities in grass-roots economic-crimes investigation branches from nearly a dozen provinces and municipalities. The course covered such topics as the international state of affairs with regard to combating money-laundering and the financing of terrorism, the crackdown by the international community on money-laundering and the financing of terrorism, and methods and techniques for the investigation of money-laundering and the financing of terrorism. Additionally, the Ministry often sends staff abroad to attend training courses in combating money-laundering and the financing of terrorism.

Every year, the Hong Kong Police conduct courses in financial investigation as well as other individual training classes aimed at law-enforcement personnel from Hong Kong and neighbouring judicial jurisdictions, supervisory personnel from financial regulatory institutions, investigators and supervisors of financial intelligence teams. These classes include descriptions of local and international trends, systems and legislation with regard to the prevention of laundering illicit funds and the financing of terrorism, as well as frameworks for international cooperation and financial regulation. Investigative techniques are also taught, as for example procedures for investigating, controlling and confiscating financial assets, and exercises modelled on actual cases are provided.

The Government of the Hong Kong SAR also occasionally arranges for law-enforcement personnel to participate in the work and discussion meetings of relevant international organizations (for example, the Financial Action Task Force and the Asia/Pacific Group on Money Laundering (APG)), so as to understand the tricks and trends of money-laundering and the financing of terrorism.

The Hong Kong Police also conduct joint seminars with financial regulatory institutions (the Hong Kong Monetary Authority, the Securities and Futures Commission of Hong Kong, and the Office of the Commissioner of Insurance), providing the financial regulators with materials on international regulations regarding the crackdown on money-laundering and the financing of terrorism, as well as guidelines on investigating suspicious transactions. In response to requests from individual financial institutions, the police and financial regulatory institutions can also arrange pertinent seminars and training courses.

With regard to implementing subparagraph 1 (a) of Security Council resolution 1373 (2001), the Macao SAR is constantly striving to strengthen training for combating the financing of terrorism. For example, representatives from various Government departments are sent to participate in the activities of organizations combating money-laundering and the financing of terrorism at the international and regional levels, as for example the annual meeting of the Asia/Pacific Group on Money Laundering, workshops on case characteristics, and seminars and workshops of the Financial Crimes Enforcement Network (FinCEN) and the International Law Enforcement Academy (ILEA).

Through the coordination of the United States Consulate in Hong Kong, representatives of the U.S. Federal Bureau of Investigation attended an introductory conference in Macao in March 2003, at which they gave lectures on the types and trends of and tracing techniques for the methods and tactics of terrorist financing. Representatives of other departments of the Government of the Macao SAR as well as of the financial sector also attended the conference.

One of the major concerns of the Unitary Police Services office is raising the professional standards of its personnel and of the personnel in the police organs under its command (the Judicial Police and the Public Security Police), with a view to enhancing their knowledge in all fields, but especially in the area of investigatory techniques. As new criminal tactics of all kinds arise, obtaining a solid grasp of the relevant professional expertise becomes a priority consideration. Police personnel are therefore continuously encouraged to participate in comprehensive training activities in the areas of new criminal tactics and actual case studies, both in Macao and abroad. In this regard, the Unitary Police Services and the Judicial and Legal Training Center are jointly administering a series of seminars on criminal law and criminal legal procedure, designed primarily for Public Security Police and Judicial Police personnel. Particularly noteworthy activities in this programme include courses in intelligence analysis conducted in Guangzhou, China and in England; a course in intelligence conducted at the Security Intelligence Service (Serviço de Informações de Segurança/SIS) in Portugal, a course in financial investigation conducted at the Police Narcotics Bureau of the Hong Kong SAR, and seminars on electronic and Internet crime and on telephone monitoring conducted in the Macao SAR. Other activities of equal importance in enhancing professional knowledge include the participation by Unitary Police Services, Public Security Police and Judicial Police personnel in meetings, lectures and large-scale exercises conducted

in Macao, elsewhere in China and abroad. Especially worthy of emphasis is their participation in conferences on combating international corruption and seminars on policies combating narcotics abuse and trafficking conducted by the International Criminal Police Organization (Interpol), and in meetings of working groups of the Asia/Pacific Group on Money Laundering.

1.13 Regarding the implementation of paragraph 1 (d) of the Resolution, the CTC notes from the supplementary report (at page 9) that the People's Bank of China has the statutory power to inspect the bank deposits, settlements and account management of organizations which have or claim to have charitable, social and cultural goals. The CTC would be grateful for an account of how different Chinese agencies (e.g. the People's Bank of China, anti-money-laundering task force etc.) coordinate with each other as well as with authorities charged with undertaking criminal investigations in the People's Republic of China. Are there procedures in place to respond to requests from foreign Governments to investigate specific organizations which are suspected of being linked to terrorism? Has the People's Republic of China ever taken judicial action against a non-profit organization based on its suspected involvement in terrorist financing? If yes, please outline the procedures that were followed and provide an account of the outcome of such actions with regard to mainland China as well as the Macao and the Hong Kong Special Administrative Regions.

In order to combat the financing of terrorist activities, the law-enforcement organs of the Government of the Hong Kong Special Administrative Region continuously exchange information with their counterpart institutions in the Region, and also maintain close contact with the consulates of the countries represented there. The Government of the Hong Kong SAR can, at the request of other judicial jurisdictions, provide judicial assistance for investigations of terrorism-related cases (including cases involving individual organizations); the applicable procedure is carried out in accordance with the provisions of the Mutual Legal Assistance in Criminal Matters Ordinance (Chapter 525). The Government of the Hong Kong SAR has yet to uncover any terrorism-related activities on the part of non-profit organizations.

To date, the police organs under the command of the Macao Unitary Police Services have carried out no investigations of money-laundering related to terrorism.

1.14 The CTC notes from the supplementary report (at pages 5 and 6) that legal provisions that the People's Republic of China has put in place allow for the freezing and seizure of the proceeds of crime. The People's Republic of China also refers in the third report (at page 6) to the Code of Criminal Procedure of Macao which allows the seizure by a judge of any funds or financial assets deposited at a financial institution in Macao if these are connected with a crime or are important for the gathering of evidence. It is not clear, however, from the previous reports, whether the financial assets or economic resources of entities owned or controlled directly or indirectly by persons who commit, or attempt to commit terrorist acts or who participate in or facilitate the commission of terrorist acts, and of persons and entities acting on behalf of, or at the direction of such persons and entities may be frozen in China and its Special Administrative Regions. In this regard, the CTC notes

that, for the purposes of subparagraph 1 (c) of the Resolution, the legal provisions in place should provide for the freezing of funds, regardless of origin, even if they are:

Suspected of being linked to terrorism, but have not as yet been used to commit a terrorist act;

Linked to terrorist activities which have not as yet caused any material damage.

The CTC would appreciate receiving an outline of the legal provisions, if any, which enable the People's Republic of China (including the Macao Special Administrative Region) to meet these requirements. In the absence of such provisions, what steps does the People's Republic of China intend to take in order to comply fully with this provision of the resolution? Please also outline the legal provisions in mainland China, as well as those of the Hong Kong and the Macao Special Administrative Regions, which allow for the seizure of property used in terrorism, in terrorist acts or by terrorist organizations (in particular, if a terrorist activity has not as yet caused any material damage), as well as property intended or allocated for use in terrorism, in terrorist acts or by terrorist organizations.

As previously noted, the Government of the Hong Kong SAR drafted the United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575) in July of 2002. Section 6 of that Ordinance authorizes the Secretary for Security to freeze the funds of terrorists or of persons connected with terrorists. In May 2003, the Government of the Hong Kong SAR submitted to the Legislative Council a draft 2003 United Nations (Anti-Terrorism Measures) Ordinance (Amended), and advised that the authority to freeze funds under section 6 of the original Ordinance be expanded to include all non-monetary assets of terrorists or of persons connected with terrorists. The draft Ordinance is currently under debate.

Section 13 of the United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575) provides that the Court of First Instance may order the confiscation of the following assets: those that represent any proceeds arising from a terrorist act, those that have been used to finance or assist in the commission of a terrorist act, and those that may be used to finance or assist in the commission of a terrorist act.

Under the current laws of the Macao SAR, property that has been or will be used to carry out terrorist acts may be impounded; in this regard, the following main points are worthy of note:

Even though a person has not been included on the relevant Security Council resolution list, if that person is suspected of committing terrorist acts, the Public Prosecutions Office will open an investigation, in view of the fact that the commission of a terrorist act constitutes a public offence;

The investigation comprises a comprehensive set of measures designed to confirm whether a crime has taken place and to determine the identity and responsibility of the perpetrator, as well as to discover and collect evidence, and is carried out by the Public Prosecutions Office with the assistance of the criminal police authorities (articles 245 and 246 of the Code of Criminal Procedure);

If there is well-founded reason to believe that securities, valuables, money or other items deposited in banks or other credit institutions, or even in an individual's safe, are connected with a crime (regardless of whether any loss or damage has been incurred), and that they are of great importance to the discovery of the truth or as evidence, a recommendation that such items be impounded may be made to the judicial authorities, even though these items do not belong to the suspected person or were not deposited in that person's name (article 166, paragraph 1 of the Code of Criminal Procedure).

In addition to the laws and regulations currently in effect, the need for supplementary regulations is being studied from the technical and policy standpoints, with a view to further standardizing the task of freezing assets.

1.15 The People's Republic of China states in its supplementary report (at page 3) that the supervisory and regulatory bodies in Hong Kong provide financial institutions with lists of terrorists compiled pursuant to the relevant Security Council resolutions, or compiled by other financial and public institutions. In this regard, the CTC would appreciate receiving an outline of the procedure used to designate an organization as a terrorist organization. Could the People's Republic of China provide data on the number of terrorist organizations that it has so designated, in particular foreign terrorist organizations other than those listed by the Security Council? Please also indicate how long it takes to designate a terrorist organization at the request of, or based on information from another State? The CTC would further appreciate knowing how many persons (legal or natural) have been prosecuted for inviting support (including recruitment) for:

Proscribed organizations; and

Other terrorist groups or organizations?

Does the People's Republic of China have domestic legal provisions that enable authorities to freeze funds regardless of origin, when the funds are held in the names of persons and entities identified as being linked to terrorist activities in lists other than those approved for the purpose of Security Council Resolution 1267 (1999)? In the absence of such provisions please indicate the steps that the People's Republic of China intends to take in order to meet adequately this aspect of the Resolution. Please also provide the CTC with the relevant information with regard to the Hong Kong and the Macao Special Administrative Regions.**

Currently, the Chinese Government has designated four organizations as terrorist organizations: in addition to the East Turkestan Islamic Movement (ETIM), which has been listed as a terrorist organization by the Security Council, these include the Eastern Turkestan Liberation Organization (ETLO), the World Uyghur Youth Congress (WUYC), and the Eastern Turkestan Information Center (ETIC).

Section 4 of the Hong Kong SAR United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575) stipulates that the Chief Executive may publish a notice in *The Government of the Hong Kong Special Administrative Region Gazette* specifying the name or names of any individual or organization designated by the United Nations Security Council Counter-Terrorism Committee as being a terrorist or a terrorist associate. As of February 2004, a total of 104 terrorist organizations had been so designated in accordance with Section 4 of the Ordinance.

Section 5 of that Ordinance stipulates that the Chief Executive may make an application to the Court of First Instance for an order to identify terrorists or terrorist associates not designated by the United Nations Security Council Counter-Terrorism Committee. The Court may adopt such a decision only in cases where the persons or organizations subject of the application are terrorists or terrorist associates. This identification mechanism applies in cases where other jurisdictions request the identification of a given terrorist organization. The amount of time required to complete the identification procedure depends on the specific circumstances of each case and on the documentation required by the Court of First Instance. As of February 2004, no persons or organizations had been identified under the provisions of Section 5, nor had any person or group been prosecuted for seeking assistance (including recruiting) for a terrorist group or organization.

As has been previously noted, Section 6 of the United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575) stipulates that if the Secretary for Security has well-founded reason to suspect that any funds are terrorist property, they may be frozen regardless of their origin or whether or not they are held in the name of individuals or groups designated by the United Nations Security Council.

The Government of the Macao SAR is currently reviewing the need for supplementary regulations from the technical and policy standpoints, with a view to further standardizing the task of freezing assets.

1.16 In regard to compliance with subparagraph 1 (c) of the Resolution, the CTC would appreciate receiving statistics on the number of cases in which financial assets or economic resources have been frozen, seized and confiscated in relation to the financing of terrorism. Could the People's Republic of China also provide the CTC with information concerning the number of individuals and/or entities whose property have been frozen because they featured in a list drawn up by:

The Security Council;

The People's Republic of China;

Other states or organizations.

The CTC would further appreciate it if the People's Republic of China could provide it with corresponding statistics concerning the Hong Kong and the Macao Special Administrative Regions.

The Benevolence International Foundation (BIF), which is included on the new consolidated list of individuals and entities belonging to or associated with the Taliban and Al-Qaida organization as established and maintained by the Security Council committee established pursuant to paragraph 6 of resolution 1267 (1999) (the 1267 Committee), had offices in China at one time. They were disposed of by the relevant Chinese authorities in accordance with the law, and the pertinent facts of the situation were reported to the 1267 Committee.

As of February 2004, the Government of the Hong Kong SAR had not frozen, impounded or confiscated any funds or other assets in connection with the financing of terrorism.

1.17 In regard to the implementation of subparagraphs 1 (a) and (c) of the Resolution, as well as article 8 of the International Convention for the Suppression of the Financing of Terrorism, the CTC would be grateful if the People's Republic of China could outline its principal legal procedures concerning the confiscation of assets or the operation of other deprivation mechanisms (with particular regard to assets of legal origin related to terrorist activities). Please describe how these procedures operate in practice and please indicate which authorities are responsible for their implementation. Under Chinese law, is it possible to confiscate the proceeds of a crime without first obtaining the conviction of its perpetrator (i.e. *in rem* confiscation)? If not, does the People's Republic of China envisage introducing such a system? The CTC would also welcome receiving a description of the considerations which would normally form part of a review of the decisions taken by the authorities referred to earlier in this paragraph. Please indicate the financial magnitude of any assets that have been seized or confiscated as part of actions the People's Republic of China has taken in relation to the prevention of the financing of terrorism. Are there laws in the People's Republic of China that allow some or all confiscated property to be used to satisfy claims for damages brought by a person or persons who claim to have suffered injuries as a result of the commission of an offence? Please describe how the People's Republic of China deals in its laws and procedures, with requests from foreign states for international legal assistance in relation to confiscation measures arising out of terrorist offences.

The following regulations of the Criminal Law of the People's Republic of China are pertinent:

Article 59: Confiscation of property is the confiscation of part or all of the property personally owned by the criminal element. Where all of the property personally owned by the criminal element is confiscated, living expenses shall be set aside for the criminal element himself and the dependants he supports. When a sentence of confiscation of property is imposed, property that belongs to or should belong to family members of the criminal element may not be confiscated.

Article 60: Where it is necessary to use the confiscated property to repay legitimate debts incurred by the criminal element before the property was confiscated, the debts shall be paid at the request of the creditors.

Article 64: All articles of property illegally obtained by the criminal element shall be recovered or he shall be ordered to make restitution or pay compensation for them. The legitimate property of the victims shall be promptly returned. Contraband and articles of the criminal's own property used for committing the crime shall be confiscated. Articles of confiscated property and fines shall be handed over to the national treasury and shall not be diverted or otherwise disposed of.

The following regulations of the Criminal Procedure Law of the People's Republic of China are pertinent:

Article 77: If a victim has suffered material losses as a result of the defendant's criminal act, he shall have the right to file an incidental civil action during the course of the criminal proceeding. If losses have been caused to State property or collective property, the People's Procuratorate may file an incidental civil action while initiating a public prosecution. When necessary, the People's Court may seal up or impound the property of the defendant.

Article 114: Any articles and documents discovered during an inquest or search that may be used to prove a criminal suspect's guilt or innocence shall be seized. Articles and documents which are irrelevant to the case may not be seized. Seized articles and documents shall be properly kept or sealed for safekeeping and may not be utilized or damaged.

Article 115: All seized articles and documents shall be carefully checked by the investigators jointly with the eyewitnesses and the holder of the articles; a detailed list shall be made in duplicate on the spot and shall be signed or sealed by the investigators, the eyewitnesses and the holder. One copy of the list shall be given to the holder, and the other copy shall be kept on file for reference.

Article 117: The People's Procuratorates and the public security organs may, as required for the investigation of crimes, inquire into or freeze criminal suspects' deposits or remittances according to regulations. If the deposits or remittances of the criminal suspects have been frozen, they shall not be frozen for a second time.

Article 118: If any seized articles, documents, mail, telegrams or frozen deposits and remittances are proved through investigation to be truly irrelevant to a case, the seizure and freeze shall be cancelled within three days, and the items shall be returned to their original owners or the original post and telecommunications offices.

Article 220: All judgements on confiscation of property, whether imposed as a supplementary punishment or independently, shall be executed by the People's Courts; when necessary, the People's Courts may execute such judgements jointly with the public security organs.

The following is a summary explanation of the legal procedure for the confiscation of property:

According to Chinese law, the confiscation of property is a type of criminal penalty that is imposed by the People's Courts. During the investigation process, the People's Procuratorates, the public security organ responsible for investigating criminal cases, may impound objects and documents of all kinds that can be used to establish the guilt or innocence of the criminal suspect, and may make inquiries about and/or freeze the criminal suspect's deposit and/or remittance accounts. Furthermore, all articles of property illegally obtained by the criminal element shall be recovered or he shall be ordered to make restitution or pay compensation for them. When the investigation has concluded and the case has been referred to the procuratorial authorities for review and prosecution, the entirety of the impounded property should accompany the referral; ultimately, it is the People's Court that decides whether or not the property is to be confiscated. With the exception of prohibited articles, property and assets may only be impounded or frozen, but not confiscated, unless a People's Court rules otherwise. The relationship between the property and the crime is the factor that should be considered when making decisions to impound or freeze assets.

Regarding damage compensation by injurers:

According to Chinese law, all articles of property illegally obtained shall be recovered or [the criminal element] shall be ordered to make restitution or pay compensation for them; the legal property of the injured party shall be promptly returned. Persons who have suffered material losses or damage as a result of the criminal acts of the defendant have the right to file an incidental civil action during the course of the criminal proceeding to demand compensation from the defendant. The People's Court may place under seal or impound the property of the defendant when necessary.

1.18 In regard to the implementation of subparagraph 1 (a) and (d), as well as article 5 of the International Convention for the Suppression of the Financing of Terrorism, please indicate whether the People's Republic of China (including the Macao and the Hong Kong Special Administrative Regions) has taken measures to establish civil, criminal or administrative liability of legal persons for criminal offences, in particular offences related to terrorist activities? Please specify and provide an outline of the relevant legal documentation. Is it possible to assign liability to a legal person, in a case where no natural person has been identified or convicted? In this regard, could the People's Republic of China provide the CTC with statistics on the number of cases involving the provision of support to terrorists or terrorist organizations, where sanctions, were imposed on:

Financial and non-financial institutions;

Other financial intermediaries.

Section 7 of the United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575) of the Hong Kong SAR stipulates that no person shall provide or collect funds for terrorists or terrorist associates; Section 8 of that Ordinance stipulates that no person shall make any funds or financial (or related) services available to terrorists or terrorist associates. According to the Interpretation and General Clauses Ordinance (Chapter 1), the term "person" includes any public body and any body of persons, corporate or unincorporate. There have been no cases in the Hong Kong SAR of an organization being implicated in providing support to terrorists or terrorist organizations.

As noted above, the Macao Special Administrative Region is currently reviewing draft anti-terrorism legislation from the technical and policy standpoints. The criminal and civil responsibilities of corporations for carrying out terrorist crimes are specified in the draft.

1.19 Within the context of the reply to subparagraph 2 (g) in the supplementary report (at pages 13 and 14) the CTC would appreciate receiving an outline of how the People's Republic of China ensures that there is adequate cooperation and sharing of information among the different government agencies and/or other competent authorities which may be involved in investigating the financing of terrorism. With regard to the implementation of subparagraph 3 (d) of the Resolution, could the People's Republic of China also provide the CTC with an outline of its policy if any, for sharing relevant information with other States, concerning suspicious transactions or other matters pertaining to the financing of terrorism?

The Macao and Hong Kong Special Administrative Regions as well as the provinces of China exchange regional or international police information and criminal investigation information with foreign countries. The exchange of intelligence with foreign countries is carried out according to the provisions of the relevant cooperation agreements and international treaties or agreements signed with those countries.

According to the provisions of the Internal Security Framework Law of the Macao Special Administrative Region, the Unitary Police Service, through its subsidiary police organs as well as the Macao Customs Service, guarantee, within their respective official areas of competence, cooperation at the interregional and international levels on all matters regarding combating violent and trans-border crimes, particularly international terrorism, human trafficking, money-laundering, trafficking in arms and narcotics, electronic crimes and crimes against the environment.

Effectiveness of customs, immigration and border controls

1.20 Implementation of paragraphs 1 and 2 of the Resolution requires the operation of effective customs and border controls with a view to preventing and suppressing the financing of terrorist activities. Does the People's Republic of China impose controls on the cross-border movement of cash, negotiable instruments, precious stones and metals (for example, by imposing an obligation to make a declaration or to obtain prior authorization before any such movements take place)? Please provide information concerning any relevant monetary or financial thresholds. Please also provide the CTC with the relevant information regarding the Hong Kong and the Macao Special Administrative Regions.

The Chinese Customs authorities allow banks to transfer foreign currencies and RMB in cash through the use of foreign-currency and RMB cash entry and exit bank transfer permits issued by the State Administration of Foreign Exchange or the People's Bank of China. With regard to the import and export of gold and gold products, the Customs authorities carry out the relevant formalities on the basis of authorization documents from the head office of the People's Bank of China (for imports) and of export permits for financial products. China does not impose regulatory controls on the importation of silver; for the export of silver (trade in processed products excepted), the Customs authorities carry out the relevant formalities on the basis of export licenses issued by the commercial-affairs authorities. Exhaustive controls are imposed on the import and export of raw diamonds, regardless of the type of trade transaction or mode of transport involved; the Customs authorities carry out the import or export formalities on the basis of freight entry or exit customs documentation issued by the port inspection and quarantine authorities, as well as of other relevant documentation. The Customs authorities do not impose corresponding trade control measures with regard to negotiable instruments.

The Provisional Measures Regarding Administration for Entering or Exiting the People's Republic of China with Cash in Foreign Currency clearly specify that travelers entering China with cash valued in excess of US$ 5,000, while not subject to import limits, must nevertheless make a declaration to the Customs authorities; travelers leaving China with cash valued in excess of US$ 5,000 are required to

apply to a bank or to the State Administration of Foreign Exchange for a certificate authorizing them to carry foreign currency out of China (a "Carrying Certificate") in accordance with the regulations before the Customs authorities can allow them to proceed. An important purpose for taking this measure is to control the flow of large quantities of cash, in coordination with efforts to combat money-laundering and terrorism.

In accordance with Section 6DB of the Import and Export (General) Regulations (Chapter 60A), the Government of the Hong Kong SAR has been implementing the Kimberley Process Certification Scheme for rough diamonds since January 2003. Under the Scheme, no person may import or export raw diamonds to or from the Hong Kong SAR unless the transaction is in conformity with the provisions of the Kimberley Process Certificate issued by the Trade and Industry Department. Moreover, merchants importing, exporting, buying, selling or carrying rough diamonds are required to register with the Trade and Industry Department, and may not engage in trade with a country that is not a participant in the Kimberley Process Certification Scheme. The Scheme sets up a re-checking system under which, once the authorities at the place from which a given shipment of rough diamonds is being exported have issued the Kimberley Process Certificate for that shipment, they will forward the pertinent information regarding that shipment to the Trade and Industry Department so that the Department can check to ensure that it corresponds to that contained in the application for a Kimberley Process Certificate (Import) submitted by the local importer for that shipment. Similarly, when the Trade and Industry Department issues an Export Certificate, it will forward the pertinent information on the rough diamonds in question to the authorities at the next importing destination. The Hong Kong Customs and Excise Department checks all rough diamonds imported to or exported from Hong Kong in order to ensure that the provisions of the Scheme are implemented.

With regard to other precious metals (such as gold), Section 4 of the Import and Export (Registration) Regulations (Chapter 60E) stipulates that an accurate and complete import declaration shall be provided to the Customs and Excise Department for any imported article; Section 15 of the Import and Export Ordinance (Chapter 60) stipulates that a manifest of the cargo being imported or exported on any vessel, aircraft or vehicle entering or leaving Hong Kong must be provided to the Customs and Excise Department at its request.

The Government of the Hong Kong SAR has imposed no measures to control cross-border movements of cash, but as has been previously noted, the relevant financial regulation systems and guidelines can effectively prevent financial institutions from participating in the provision of financial support for terrorist activities. Section 12 of the United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575) stipulates that any person who knows or suspects that any property belongs to terrorists or is being used for terrorist actions must disclose that information to the law-enforcement authorities.

With regard to controls on the import and export of goods in the Macao Special Administrative Region, a uniform system of prior declaration is strictly enforced. Under the declaration regime described in article 10 of the Foreign Trade Legislation: Law no. 7/2003, the Macao Customs Service requires import or export declarations for all goods valued in excess of 5,000 Macao patacas entering or leaving the Macao Special Administrative Region. The Customs Service can also

refer cases of suspicious large-value currency transactions to the Judicial Police for tracking and investigation. Moreover, the customs declaration mechanism has now incorporated an electronic data exchange system which can be used by all foreign-trade managers to perform prior declarations or apply for permits. The Customs Service can receive the relevant documents ahead of time, thereby facilitating analysis and the choice of investigative targets, and raising the efficiency of its combat against illegal activities.

With regard to border controls, the Macao Public Security Police have full responsibility concerning persons entering or leaving. Entry and exit matters for the Macao Special Administrative Region are handled at entry and exit stations officially designated for that purpose. It should be emphasized that a duty of the Immigration Department is to pay special attention to whether or not persons entering or leaving the Macao Special Administrative Region are included on the control lists issued by the United Nations Security Council and on those provided by law-enforcement agencies with which it maintains friendly relations.

According to the provisions of paragraph 1, sub-paragraph 4 on police precautionary measures in article 17 of the Internal Security Framework Law of the Macao Special Administrative Region, the Judicial Police must issue orders preventing the entry into the Macao SAR of, or expelling, non-residents who, under the terms of the law, are considered personae non gratae, or who constitute a threat to the stability of internal security, or who are suspected of being connected with trans-border crime, including international terrorism. Furthermore, according to the provisions of articles 7 and 15 of the aforementioned law, in the event of a serious threat to internal security, a unified command structure comprising the internal-security authorities of the Macao Special Administrative Region can be constituted when necessary. While the unified command structure is headed in principle by the Commissioner-General of the Unitary Police Service, that responsibility may be delegated.

With regard to preventive measures, it is worth emphasizing that the relevant SAR authorities have reinforced patrols in popular tourist destinations, drawn up plans for dealing with contingencies and emergencies (for example, airport emergency-response plans, search-and-rescue action plans etc.), carried out joint exercises with local and foreign law-enforcement agencies as well as exercises simulating attacks by terrorist organizations and movements, and conducted the daily training of the Special Operations Group belonging to the Tactical Intervention Unit of the Public Security Police.

Finally, it is also worth emphasizing the high degree of importance assigned by the Judicial Police to the collection of intelligence, participation in joint exercises, and the long-term training carried out by the negotiation teams that became operational in mid-2001.

1.21 Effective implementation of subparagraphs 2 (c) and (g) of the Resolution requires the enforcement of effective customs, immigration and border controls so as to prevent the movement of terrorists and the establishment of safe havens. In this regard, please outline the legal and administrative procedures developed by the People's Republic of China (including the Hong Kong and the Macao Special Administrative Regions) in order to protect its port facilities and ships, persons working in those port facilities and ships, cargo, cargo transport units, and offshore installations as well as ships' stores from the risk

of terrorist attacks. Have the competent Chinese authorities put procedures in place periodically to review and update transport security plans? If yes, please outline these procedures. In this regard, could the People's Republic of China also explain how it determines the beneficial ownerships of ships registered under it, as a "Flag State", and how its lists of known or suspected terrorists are compared with the names of beneficial owners of these vessels with a view to detecting terrorist involvement?

Article 12 of the Law of the People's Republic of China on Control of Entry and Exit of Aliens stipulates that aliens who are considered a possible threat to China's state security and public order shall not be permitted to enter China. On that basis, the competent departments may, through the Ministry of Public Security, add the names of persons they suspect having links with terrorism to the list of those denied entry to China. Port and border inspection stations will then prevent those persons from entering the country. Article 25 of the Regulations of the People's Republic of China on Frontier Exit and Entry Inspection stipulates that frontier inspection stations shall, under certain circumstances, have the right to delay or prohibit exit from or entry into China by various means of transport, of which the third listed under the article comprises those deemed to be carrying persons or goods that endanger the security or interests of the State, or that endanger the social order. The frontier inspection stations may lawfully establish restricted zones in ports or on docks used by international shipping in order to keep watch on such ships, as well as impose controls on vehicles and personnel entering or leaving such ports or docks.

International vessels (hereafter abbreviated as "vessels") should enter or leave Chinese territory via ports with customs facilities, and should dock, load or unload cargo and goods and take on or discharge crews at ports with customs facilities, and should submit to Customs supervision. Local port authorities provide advance notification to Customs of where vessels within Customs control zones will dock, change berths, load or unload cargo and articles or take on or discharge crews; vessels docking, changing berths, loading or unloading cargo and articles or taking on or discharging crews in non-Customs control zones should consult with Customs via the local port authorities.

If vessels are required to enter or leave China via ports without Customs facilities, or to dock, load or unload cargo and goods or take on or discharge crew in ports without Customs facilities, they should accept Customs supervision after obtaining the permission of the State Council, or consulting with Customs via an authority duly authorized by the State Council. The person responsible for the vessel, or the vessel's agent, should notify Customs 24 hours in advance of the vessel's arrival and departure times, and should also provide advance notification to Customs of loading or unloading times for cargo and goods. Once a vessel has entered China, and before it sails to another port within China, the person responsible for it outside China should submit a transit declaration, and present the Customs seals intact and undamaged to the Customs authorities at the next port.

In the area of protection of port facilities and shipping, the Government of the Hong Kong SAR is currently completing the legislative procedures necessary for implementing the provisions relating to maritime security included in the International Convention for the Safety of Life at Sea, 1974 (SOLAS) and the International Ship and Port Facility Security Code (ISPS), and hopes to draw up the relevant regulations by 1 July 2004. Under these provisions, the shipping companies

and port-facilities managers concerned are required to carry out security evaluations and draw up security plans, and submit those plans to the Director of Marine or a designated security body authorized by him for approval. These security measures can effectively protect port facilities, ships, workers and cargoes, and reduce their risk of coming under terrorist attack.

Under the current system, in order to coordinate with terrorism prevention activities, all ships must file an application in advance with the Port Authority of the Macao Special Administrative Region; in that application, they must submit crew manifests, ship's papers and supporting documentation, cargo capacity and other materials, and may enter the Region or engage in the transport of cargo therein only after the application has been approved. If the Port Authority discovers suspicious persons or cargo, it will notify the Customs authorities to take appropriate measures. The Port Authority is also actively considering compliance with the recommendations of ISPS and SOLAS.

1.22 Regarding the reference in the People's Republic of China's first report (at page 13) to an advanced computerized system for supporting the entry and exit inspection procedures in the Hong Kong Special Administrative Region, the CTC would appreciate receiving an outline of the procedures the People's Republic of China has in force, in mainland China and in the Hong Kong and the Macao Special Administrative Regions, to provide advance cargo and passenger information to its competent authorities, as well as to those of other relevant States, to enable the screening of suspected cargo and passengers.

Article 17 of the Regulations of the People's Republic of China on Frontier Exit and Entry Inspection provides that the person in charge of a means of transport, or the relevant communication and transport departments, shall report in advance to the frontier inspection station regarding the time of departure from or arrival at port of the vessel, aircraft, or train entering or leaving the Region, as well as where it will stop and what personnel and goods it carries. The border inspection station analyses this advance information in order to uncover any suspicious circumstances in a timely manner and be able to deal with it effectively.

In September 2002, the Customs and Excise Department of the Hong Kong SAR Government signed a joint Declaration of Principles with the United States Customs Service with regard to cooperation between the two Customs authorities on the Container Security Initiative, in order to assure a smooth flow of cargo containers from Hong Kong to the United States, as well as enhance the safety of seaborne trade throughout the world. According to the Declaration of Principles, Hong Kong and the United States will exchange information and cooperate closely in order to screen and examine high-risk containers. Under the Initiative, the Hong Kong Customs and Excise Department is required to assist in screening containers 24 hours before they are loaded for shipping to the United States. Shipping-industry managers in the Hong Kong SAR participate in the Initiative on a voluntary basis, and are required to provide a cargo declaration in advance to the Hong Kong Customs on cargo being shipped to the United States. For the convenience of industry members participating in the Initiative, the Hong Kong Customs has agreed to accept duplicate copies of the cargo declaration provided to the United States Customs by shippers under the 24-Hour Rule for screening purposes. Once Hong Kong Customs has received the cargo declaration, it will pre-screen for high-risk containers and examine their cargo when necessary. The Hong Kong Customs

authorities will provide documentation on the container pre-screening to the United States Customs authorities.

The Hong Kong Customs authorities have also concluded agreements with airline companies regarding pertinent arrangements, under which airlines are required to provide cargo declarations for their aircraft three hours prior to the arrival in Hong Kong of the aircraft concerned. This measure is also helpful for checking suspicious cargo.

The Hong Kong Immigration Department has made preparations to participate in the Advance Passenger Information System of the Asia-Pacific Economic Cooperation organization, and currently is actively discussing policy details with the countries concerned. Under this system, information on passengers is entered into a computer during aircraft-boarding formalities and relayed to the relevant competent authorities in order for them to identify suspicious passengers in advance and take appropriate action.

The electronic data interchange (EDI) system currently used in the Macao Special Administrative Region allows the advance transmittal of application, customs declaration and customs clearance documents connected with cargo import and export operations. Moreover, active consideration is being given to expanding the current system to allow even earlier pre-declaration of cargo manifests, so that the Customs authorities can analyse them as early as possible and decide which cargoes to inspect. Under the current transport mechanism, cargo manifests (including those for sea and air shipments) must be submitted to the Customs authorities upon arrival at the port, and clearance procedures may be carried out only after the Customs authorities have completed their inspections. For passenger manifests, the pertinent name lists must be obtained from the Public Security Police on a case-by-case basis.

The import, export or transport of weapons and ammunition must be carried out in accordance with the provisions of Decree-Law 77/99/M, which require that prior permission of the Chief Executive be obtained after the views of the Public Security Police have been sought, and that the relevant documentation be provided.

1.23 In the context of the implementation of subparagraphs 2 (b) and (j) of the Resolution, has the People's Republic of China implemented the standards and recommendations of the International Civil Aviation Organization (ICAO) as described in Annex 17? Please inform the CTC as to whether ICAO has conducted a safety audit of the international airports in the People's Republic of China.

The Civil Aviation Administration of China (CAAC) consistently values and supports the work of the ICAO and actively implements the International Standards and Recommended Practices (SARPs) in Annex 17 to the Convention on International Civil Aviation. The CAAC supports and approves the universal aviation security auditing activities undertaken by the ICAO, and actively cooperates with the Organization's various security audit projects. The ICAO will launch security audits of the international facilities at Beijing's Capital, Xian's Xianyang, and Kunming's Wujiaba airports in China from 10 to 28 May 2004.

2. Assistance and guidance

2.1 The CTC wishes to emphasize once more the importance which it attaches to the provision of assistance and advice in connection with the implementation of Resolution 1373. The Committee reiterates its desire to maintain and develop the constructive dialogue, which it is already engaged in, with the Government of the People's Republic of China.

2.2 The CTC's Directory of Assistance (www.un.org/sc/ctc) is frequently updated to include new relevant information on available assistance. The CTC would appreciate receiving information from the People's Republic of China concerning areas where it might be in a position to provide assistance to other States in relation to the implementation Resolution.

The Chinese Government consistently supports and actively takes part in international cooperation to combat terrorism, and is prepared to enhance exchanges and cooperation in this area with the countries concerned, which thereby learn from each other and draw on mutually beneficial methods and experience.

2.3 At this stage of its work, the CTC will focus on requests for assistance that relate to Stages "A" and "B" matters. However, the assistance to be provided by one State to another on any aspect of the implementation of the Resolution is a matter for agreement between them. The CTC would be grateful to be kept informed of any such arrangements and on their outcome.

United Nations S/2004/343

Security Council

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Letter dated 23 April 2004 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

With reference to my letter of 2 December 2003 (S/2003/1153), I have the honour to transmit to you herewith the fourth report submitted by Egypt to the Counter-Terrorism Committee pursuant to paragraph 6 of resolution 1373 (2001) (see annex).

I would be grateful if you would arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Inocencio F. **Arias**
Chairman of the Security Council Committee established
pursuant to resolution 1373 (2001) concerning counter-terrorism

04-34504 (E) 070704

Annex

Letter dated 20 April 2004 from the Permanent Representative of Egypt to the United Nations addressed to the Chairman of the Counter-Terrorism Committee

I have the honour to attach herewith the fourth report presented by the Government of Egypt in response to the request of the Counter-Terrorism Committee dated 21 November 2003, which included some inquiries from the Committee (see enclosure).

(*Signed*) Ahmed **Aboul Gheit**
Ambassador
Permanent Representative

Enclosure*

[Original: Arabic]

National Committee on International Cooperation to Combat Terrorism

Supplementary report containing replies to questions concerning the third report of Egypt on measures to combat terrorism submitted to the Security Council Counter-Terrorism Committee

1.1 Ratification of international conventions

The CTC has noticed that at the time of submission of its first report (at paragraph 29) Egypt was in the process of ratifying the following two conventions:

– The International Convention for the Suppression of the Financing of Terrorism;

– The International Convention for the Suppression of Terrorist Bombings.

The CTC would welcome a further progress report on the ratification of these conventions. What is the effect, in the domestic law of Egypt, of the promulgation of these international instruments? Please outline the provisions contained in the new legislation and indicate what further steps need to be taken.

The Egyptian competent authorities are now considering the provisions of the International Convention for the Suppression of the Financing of Terrorism and the International Convention for the Suppression of Terrorist Bombings. It should be noted that the Egyptian legislature has updated Act No. 97 of 1992 (Terrorism Act) by modifying some of the provisions of the Penal Code and the provisions of the Suppression of Money-Laundering Act No. 80 of 2002, as amended by Act No. 78 of 2003. These legislative texts codify the provisions of the International Convention for the Suppression of the Financing of Terrorism and take account of its goals (see annex I).

1.2 Criminalization of terrorist fund-raising: Effective implementation of subparagraph 1 (b) of the resolution requires a State to have in place provisions specifically criminalizing the wilful provision or collection of funds by its nationals or in its territory, by any means, directly or indirectly, with the intention that the funds should be used, or in the knowledge that they are to be used, in order to carry out terrorist acts. For an act to constitute an offence as described above it is not necessary that the funds are actually used to carry out a terrorist offence (see article 2, paragraph 3, of the International Convention for the Suppression of the Financing of Terrorism). The acts sought to be criminalized are thus capable of being committed even if:

* Annexes are on file with the Secretariat and are available for consultation.

- **The only related terrorist act takes place or is intended to take place outside the country;**
- **No related terrorist act actually occurs or is attempted;**
- **No transfer of funds from one country to another takes place; or**
- **The funds are legal in origin.**

Act No. 97 of 1992, the provisions of which are contained in chapter II of the Penal Code (arts. 86 to 102), deals with acts of terrorism, whether committed or attempted, in Egypt or elsewhere. The provisions of this Act criminalize the financing of terrorism, regardless of whether the terrorist act was actually committed. Moreover, the scope of Egyptian law extends to raising and providing funds for terrorist purposes, regardless of whether the funds have been transferred from one country to another.

The financing of terrorism is punishable even if the funds used are of legal origin. If the funds are of illegal origin, the perpetrator of the acts in question is also liable to other penalties provided for under penal law for this type of offence. Finally, according to paragraph 6 of Military Order No. 4 of 1992, it is forbidden to receive funds without the authorization of the competent authorities.

1.3 Freezing of funds: Subparagraph 1 (c) of the resolution requires, inter alia, that States freeze without delay the funds of persons who commit, attempt to commit, participate in or facilitate the commission of terrorist acts. Do Egyptian provisions concerning the freezing of funds allow for the freezing of funds in Egypt at the request of another State? If not, how does Egypt deal, or propose dealing, with this matter?

Article 208 bis (a) of the Code of Criminal Procedure (amended by Act No. 174 of 1998) provides for freezing of funds:

> "... when an investigation proves an accusation to be well founded concerning one of the offences mentioned in chapter IV, Part II, of the Penal Code or an offence relating to assets belonging to the State, public institutions or related departments or to any public corporation. Freezing of funds is also authorized in cases where the court is empowered by law to decide for itself that the assets should be restored, that the value of the property that is the subject of the offence should be reimbursed, or that the injured party should be compensated. If the Office of the Attorney-General considers it necessary to take preventive measures, particularly by barring the accused person from administering or disposing of his or her assets, it shall refer the matter to the competent criminal court, which may then rule in favour of a fine or decide on restitution or compensation.
>
> The public prosecutor may, where necessary or in case of urgency, issue a provisional order barring an accused person or his spouse or minor children from disposing of or administering his assets, provided that a person is appointed to administer the assets in question. The public prosecutor shall in any event submit the case to the competent criminal court for confirmation of its decision within a maximum of seven days from the date of its issuance. Failing this, the decision shall be deemed null and void.

The competent criminal court shall rule on the cases described above within a maximum of 15 days from the date of being seized of them, but not without having heard the testimony of the persons concerned. The court shall order the above-mentioned provisional decision to be upheld whenever it deems it necessary to postpone consideration of the case. The court shall state the grounds for its decision, and a person shall be appointed to administer the assets after consultation with the Office of the Attorney-General.

At the latter's request, the court may extend its decision to the assets of the spouse and minor children of the accused person if there is sufficient evidence that such assets resulted from the offence under investigation and that they have been handed over to the parties concerned by the accused person.

The person responsible for administering the assets covered by the preventive measures shall compile a list of them in the presence of the persons concerned, a representative of the Office of the Attorney-General and an expert appointed by the court in compliance with the provisions of articles 965 and 989 of the Code of Civil and Commercial Procedure.

The person responsible for administering the assets is required to administer them judiciously and to return them, with their accrued interest, to their owners in accordance with the provisions of the Civil Code governing temporary administration, deposits and custodianship, and in compliance with the decision of the Minister of Justice in this regard."

It should be specified that, under the Egyptian Constitution, all agreements ratified by Egypt become an integral part of Egyptian law and are therefore enforceable and that the judicial assistance agreements concluded by Egypt establish that other States may request the freezing or confiscation of assets. Egypt has ratified a number of international instruments providing for the freezing and monitoring of assets connected with criminal activities, the last example of which to date is the ratification, in accordance with Decision No. 294 of 2003, of the United Nations Convention against Transnational Organized Crime, which entered into force under Egyptian law on 4 March 2004.

Furthermore, whether or not international agreements exist, Egypt spares no effort to follow up on requests for judicial assistance based on the principle of reciprocity.

Consequently, the Egyptian judicial system allows for the adoption of numerous preventive measures, particularly the freezing or confiscation of assets at the request of another country in accordance with the laws established for that purpose.

Prohibition from making funds available to terrorists

1.4 The CTC is aware that Egypt may have recently been evaluated by organizations involved in the protection of financial systems against abuse by criminals and, in particular, against abuse by people or entities intent on directing funds towards the financing of terrorism (e.g.: FATF). The CTC would be content to receive a copy of any evaluation or reports produced by these organizations. In this regard, what measures have been taken by Egypt to implement the recommendations expressed by the FATF?

Like other countries, Egypt has been evaluated by organizations, particularly the Financial Action Task Force on Money Laundering (FATF), which is responsible for countering the abuse of financial systems by criminals.

Until recently, Egypt was included on the list of non-cooperative countries. Its financial systems were also subject to regular oversight by FATF, as is shown in the succeeding reports of the Task Force (see annex II).

FATF reports make it clear that Egypt has made considerable progress in the area in question and that its presence on the aforementioned list was due to the fact that FATF was not certain that Egypt met some standards set by the Task Force for evaluating the effectiveness of financial institutions in suppressing money-laundering and the financing of terrorism. FATF has identified several new developments that have arisen since June 2001, particularly the passing of Suppression of Money-Laundering Act No. 80 of 2002, the publication of Decision No. 164 of 2002 establishing an anti-money-laundering unit, and Decree of the Prime Minister No. 951 of 2003 containing the implementing legislation for Act No. 80 of 2002 (see annex III).

In its reports, FATF welcomed the progress made in implementing the aforementioned instruments, and their compliance with the standards it had set. Thanks to fundamental reforms that Egypt has carried out in this area, it is no longer on the list of non-cooperative countries.

1.5 Effective implementation of paragraph 1 of the resolution requires that financial institutions and other intermediaries should be under a legal obligation to report suspicious transactions. The CTC would appreciate further information from Egypt concerning the legislation which it has in place. In particular, the Committee would be grateful for further information, as follows:

(a) What are the criteria by which transactions are characterized as unusual, taking into account the provisions of article 4 of the new law against money-laundering?

(b) Does the obligation to report suspicious transactions relate solely to the prevention of money-laundering activities or does it also extend to transactions linked to other criminal activities and, in particular, to the financing of terrorism?

The monitoring measures developed by the Central Bank of Egypt define the criteria used to identify unusual transactions (see annex IV).

Financial institutions are required to report suspicious transactions in order to thwart money-laundering operations; both terrorist acts and the financing of terrorism are offences covered by the Suppression of Money-Laundering Act No. 80 of 2002. Suspicious transactions connected with other criminal activities are traced as a result of laws that require prior authorization from the competent judicial authorities.

Furthermore, under Act No. 84 of 2002 on private institutions, those authorities are required to inform the competent administrative authorities of any gifts made from abroad by natural or legal persons. Such gifts may be accepted only with the authorization of the administrative authorities and after their provenance and purposes have been established.

Lastly, in an effort by Egypt to enforce Security Council resolutions, the Central Bank, which is responsible for monitoring all types of financial institutions in accordance with Act No. 80 of 2003, informs these institutions of the need to apply the relevant Security Council resolutions, particularly resolutions 1267 (1999) and 1373 (2001).

1.6 Please outline the legal provisions in force in Egypt which regulate alternative money transfer agencies or services. In their absence, could Egypt outline the steps which it intends taking in order to give effect to this aspect of the resolution in its domestic law?

The Central Bank monitors financial institutions in accordance with Act No. 88 of 2003, as well as other legal persons that transfer or remit funds, and it establishes the principles governing the running and oversight of these institutions. The aforementioned Act provides for criminal penalties in the event of non-compliance with its provisions (see annex V).

1.7 Anti-terrorist strategy: Has Egypt developed any special anti-terrorist policies in the following areas:

- **Criminal investigation and prosecution;**
- **Links between terrorism and other criminal activities;**
- **Physical protection of potential terrorist targets;**
- **Strategic analysis and forecasting of emerging threats.**

As one of the countries that have suffered the most from terrorism, Egypt has always called on the international community to join hands in combating this phenomenon which threatens the stability of political regimes and jeopardizes economic and social development. Nationally, Egypt has developed an effective strategy for combating terrorism and extremism. Based on strict enforcement of the law, the preservation of security and the quickest possible countering of any moves by terrorists and extremists, this comprehensive national strategy tackles this scourge at the political, economic, social, religious, media, and all other levels.

The implementation of this strategy is underpinned by the following:

- Technical support aimed at improving electronic databases and using them scientifically in order to forestall terrorist acts in general;
- Human support aimed at providing law enforcement agencies with duly trained personnel, boosting training activities by using the best training techniques available in the country or abroad with a view to improving technical capacity, and expanding the resources allocated to counter-terrorism through the science of crisis management;
- Material support aimed at increasing the credit allocations to human resources and training needs, building the capacity of law enforcement agencies to take urgent action against terrorists, and modernizing the weapons, technical equipment and the transport and communications facilities used in that endeavour.

Regarding criminal investigation and prosecution, coordination among national law enforcement agencies has translated into unprecedented progress country-wide

in foiling the hostile plans of terrorist and extremist organizations. The actions taken consist of:

(a) Preventing the formation of terrorist cells, arresting their leaders and itinerant members, dismantling their organizational machinery, destroying their communications facilities and thwarting financial transactions by their leaders who have fled abroad;

(b) Taking on as quickly as possible terrorist groups and cells which are being formed to renew the activities of extremist organizations and nipping their plans in the bud;

(c) Thwarting plans for sending in terrorists from abroad, determining where they are coming from, identifying their communications facilities and sources of financing and foiling those plans in coordination with the countries from whose territory the terrorists are operating and the international organizations concerned. During the period under review, the enforcement of counter-terrorism laws has demonstrated the skills of law enforcement agencies in using their legal mandate to play an essential and direct early warning and rapid-reaction role in defeating all terrorist and hostile plots hatched in the country.

With regard to the links between terrorism and other criminal activities, the Egyptian competent authorities pursue a comprehensive strategy aimed at combating the establishment of such links (see annex VI). This is done through multidisciplinary activities , as follows:

Domestically (nationally)

- Monitoring, of as early as possible, all criminal entities within the country, which are linked to terrorist entities or elements; pursuit and arrest of their members and adoption of legal and security measures against them;
- Maintenance of legal and security measures aimed at preventing terrorist-related offences (forging of papers and documents, illegal immigration);
- Developing and modernizing anti-terrorist facilities to deal with new types of offences and training law enforcement officers in counter-terrorism techniques using state-of-the-art training methods available internationally; and
- Coordinating actions with the ministries concerned so as to pool anti-terrorism efforts within the country and, in so doing, preserve national security and stability.

Externally (international cooperation)

During the period under review, the Egyptian authorities worked to strengthen security cooperation with various countries within the context of fighting crime. In this regard, Egypt signed a number of international, regional and bilateral cooperation agreements aimed at fighting crime in general and terrorism in particular.

The Government of Egypt is making efforts to conclude judicial assistance agreements in criminal matters and extradition agreements with many countries and is making sure that, in those agreements, terrorist acts are not identified with political offences whose perpetrators cannot be extradited. The Egyptian legislature

is endeavouring to iron out the legal obstacles which stand in the way of meeting requests for the extradition of some terrorists. For example, the provisions of Article 395 of the Penal Code governing retrial of criminal cases in which people were convicted in absentia have been modified. In accordance with the new text it is now forbidden, during a retrial, to increase the sentence pronounced during the trial in absentia. This issue had become a problem in the case of requests for the extradition of certain terrorists submitted by the Egyptian authorities to other countries, as the persons in question had become liable to the death penalty for offences they had committed, whereas they had not been sentenced to death during the trial in absentia (see annex VII).

In addition, forced labour has been abolished and replaced by a lengthy prison term in order to avoid the difficulties which prevented certain countries from acceding to Egypt's requests for the extradition of terrorists sentenced to forced labour, since such punishment was not provided for in the criminal law of those countries.

Physical protection of sites that could be the target of terrorist attacks

The Egyptian competent authorities have formulated a wide-ranging strategic plan, which is periodically reviewed or replaced with other plans, to ensure the safety of all sites that could become the target of terrorist organizations. Among these are tourism, archaeological and strategic sites and third-country property.

The idea is to strengthen the security of the sites and zones in question by assigning them the material and human resources required and providing for rapid reaction should an incident or crisis occur in those places. For this purpose:

(a) Police forces who have been given state-of-the-art training and equipment are assigned to those sites where they can respond immediately to any threat;

(b) Comparable security forces are detailed to protect the precincts of important strategic sites;

(c) Specially trained security forces are used to provide security around particular sites. Technical and scientific facilities are also used to detect whether any explosives have been placed in parking lots reserved for tourist vehicles as well as tourism and archaeological sites;

(d) In addition to the on-site security arrangements, equipped mobile units patrol the sites in question, investigate suspicious incidents and take action to deal with them;

(e) Security on these sites is reinforced by equipped foot patrols which investigate suspicious incidents and are replaced as the situation develops;

(f) A high technology communications network has been set up to link police forces in charge of security to one another and to their command centre;

(g) Intensive and advanced training courses are given to all security personnel guarding important and strategic sites in order to enhance their skills and operational capacity given the geographical features of the sites.

In addition to the strategic plan, other secret security plans (undercover operations) are conducted in support of the general plan objectives. Obviously, the

details of such secret plans are not divulged for security reasons, as well as to preserve the effectiveness of the efforts made within the context of the general plan.

Strategic analysis and forecasting of emerging threats

The Egyptian competent authorities have long relied on the science of crisis management in order to detect dangers and crises and to develop the plans needed to cope with them in coordination with all national authorities. In this regard, they have taken many measures, including:

(a) The creation of a national crisis management and emergency mechanism in cooperation with all competent national agencies.

(b) The establishment, in many areas, of an administrative unit responsible for analysis, forecasting, reconnaissance and planning to deal with crises and disasters (in particular, terrorist acts).

1.8 Has Egypt encountered any difficulties as regards law enforcement and/or the gathering of intelligence in relation to the areas mentioned above? If so, please provide a brief description of what these difficulties were. The CTC would also find it helpful to receive information on recent successful operations in the areas above. In supplying such examples, States are not expected to supply information in respect of ongoing investigations or judicial processes if so doing would prejudice the proper conduct of an investigation or judicial process.

The Egyptian competent authorities have encountered no unusual domestic difficulties in the aforementioned areas. That being said, they endeavour to strengthen their capacity using modern technology and to intensify international cooperation in order to overcome all the difficulties which arise in those areas. Egypt has scored many successes on this front.

1.9 Criminal proceedings: Are there any special counter-terrorist measures applicable in criminal proceedings in Egypt? Does Egypt train its administrative, investigative, prosecutorial and judicial authorities to enforce its laws in relation to:

- **Typologies and trends in terrorist financing methods and techniques.**
- **Techniques for tracing criminal properties and funds with a view to seizing and confiscating them.**

According to the Egyptian legal system, the investigation of the offences mentioned in Articles 86 to 102 of the Penal Code, which were added by virtue of Act No. 97 of 1992 on counter-terrorism, is the responsibility of a special ministry, namely, the Office of the Supreme Public Prosecutor for State Security, which comes directly under the Attorney-General's office. Cases relating to offences of this type are then tried by High of State Security Courts (emergency courts).

The Act empowers the Attorney-General to order the lifting of bank secrecy and to examine the accounts of accused persons involved in those cases without having to secure authorization from the competent court. He may also order the detention of those accused persons for a maximum period of six months. This exception to the general rules and normal investigation procedures is explained by the nature of the offences in question and the dangers associated with them.

The personnel of the Office of the Supreme Public Prosecutor for State Security are trained in this area at the National Centre for Judicial Studies.

All the other government departments concerned also provide their staff with training in the subjects mentioned and in other related issues using the most advanced training techniques developed in Egypt or abroad. Such training, scientifically administered, is aimed at enhancing the technical skills of the staff in order to help them deal decisively with terrorist organizations, and it is backed up with participation in all conferences and seminars organized on the subject.

1.10 **Investigation techniques: Could Egypt indicate whether it uses special investigative techniques including, inter alia: undercover operations; the tracking of funds of criminal gangs; the interception of communications on the Internet and other modes of communication; and the severing of ties linking terrorist groups to each other?**

Under article 95 of the Code of Criminal Procedure, any surveillance or interception of communications, such as letters, messages, parcels, telegrams and conversations on wired or wireless networks requires special authorization from an examining magistrate. In terrorism cases, the Public Prosecutor's Office issues such authorizations. Generally speaking, law enforcement agencies in Egypt make use of all the investigative techniques that are used throughout the world.

Some articles of Act No. 88 of 2003 on the Central Bank of Egypt authorize the inspection of secret accounts if the security forces and the judicial authorities deem it necessary to identify funds used by criminal elements or gangs, including terrorist entities. In addition, articles 18 and 19 of the Suppression of Money-Laundering Act authorize the adoption of the legal measures necessary to identify funds that have been laundered and the profits accruing from such transactions (see annex V).

Many competent agencies track the funds of criminal gangs, ensure respect for the law, and take any measures required in coordination with the competent national agencies, in particular the judicial authorities. These include the Directorate of Operations to Combat Offences Involving Public Funds, which, as part of the police service, combats corruption and misuse of public funds.

Some of the agencies concerned, including those of the Ministry of the Interior for Counter-Terrorism, have created special units that monitor suspect sites on the Internet, take judicial measures that regard and coordinate such activities with those of private organizations and other countries, with a view to severing communication links among terrorist entities and securing early warning of any hostile activity such entities may be planning to organize.

1.11 **Inter-agency cooperation: Has Egypt created appropriate mechanisms to ensure adequate cooperation and information sharing among the different government agencies which may be involved in investigating the fight against terrorism?**

The Prime Minister issued decision No. 847 of 1998 establishing the national committee for international cooperation in combating terrorism. The committee is chaired by the Minister of Justice and has members representing the Ministry of Justice, the Ministry of the Interior, the Ministry of Foreign Affairs, and the Intelligence Service. Among other things, it is responsible for preparing, within the

legal rules defined by the laws of the countries concerned, the documentation needed to request the handing over to the Egyptian authorities of terrorists who have fled abroad, or at least to thwart their criminal activities in the countries where they are located and to consider the legal, political and other measures that can be taken to neutralize those activities. To that end, the committee proposes the desired agreements and participates in their preparation with the other parties concerned, takes measures to ensure that terrorists who have fled are prosecuted in accordance with the rules of international law and the treaties and legislation in force, and coordinates international cooperation in this area.

The committee meets with other parties, such as international organizations and counterpart national committees of other countries, to share information and coordinate counter-terrorism efforts.

- **Subparagraph 2 (f): Afford one another the greatest measure of assistance in connection with criminal investigations or criminal proceedings relating to the financing or support of terrorist acts, including assistance in obtaining evidence in their possession necessary for the proceedings.**

1.12 **The CTC is aware that Egypt is preparing a new Bill on Mutual Legal Assistance (see page 9 of the third report) and would be grateful to receive a progress report on the enactment concerning this major improvement in the compliance of Egyptian legislation with the resolution.**

A committee of high-level jurists charged with drafting the bill on international judicial assistance in criminal matters was created by a decision of the Minister of Justice and has finished drafting this bill. The text, which takes into account the latest developments in the area of international judicial assistance in criminal matters, deals in particular with judicial assistance, the extradition of criminals, the enforcement of penal decisions, the transfer of convicted prisoners, the transfer of penal procedures and cooperation with international criminal courts. The legislative authorities are currently making the necessary arrangements to enact the bill into law.

1.13 **Is the supervision of people and cargo in Egypt undertaken by separate agencies (immigration and customs) or is it undertaken by one and the same body? If there is more than one agency involved, do these agencies share information and coordinate their activities?**

In Egypt, several agencies supervise the movement of people and cargo. Cases in point are the Department of Passport, Immigration and Nationality, the Department of Port Security and the Customs Department. Each of these bodies carries out activities in its area of competence, but they share information and coordinate their activities.

1.15 **As regards international flights, does Egypt use advanced passenger manifest programmes to check the list of inbound passengers against information, contained in databases on terrorism, before they land?**

The Egyptian competent authorities use sophisticated programmes to check the identity of passengers before their departure or after their arrival in Egypt and this is done at every entry point (air, sea and land).

The Department of Passports, Immigration and Nationality of the Egyptian Ministry of the Interior is responsible for implementing the laws and regulating decrees connected with the listing of individuals on the travel-ban and pre-arrival screening lists, in conjunction with the competent authorities in the country, in particular the Office of the Attorney-General.

A common list is kept at all points of entry to the country. The list is automatically updated on a daily basis, as all entry points (ports, airports and land accesses) are linked to the Department of Passports, Immigration and Nationality.

In accordance with the Egyptian laws governing the entry of persons to Egypt and with the decrees regulating those laws, bulletins are circulated to the agencies concerned. In addition, various lists (travel-ban lists, pre-arrival screening lists and checklists) are drawn up, using dedicated forms which comprise the following: the Arabic name, consisting of a minimum of three components and transliterated into Latin characters; the family name; date of birth; place of birth; nationality; occupation; place of residence; action to be taken.

All of the names transmitted by the Security Council Counter-Terrorism Committee have been included in the "banned from entry" lists kept at each point of entry to the country.

In this regard, mention should be made of the fact that:

(a) Manual and electronic means are employed at several of the country's entry points (ports and airports). Departure and arrival traffic through the entry points which use electronic equipment constitutes 91.45 per cent of the country's total number of departures and arrivals.

(b) Individuals transiting the country remain in transit lounges and are not permitted access to the country from its legal entry points (on grounds of security or for reasons relating to air traffic, passengers remain in such lounges for limited periods, during which time they are subject to security control). They are not therefore checked against the lists.

(c) Transit passengers wishing to enter the country must present their passports for the completion of entry procedures, at which time the general directives concerning the method of checking lists and the possession of entry visas are applicable.

(d) Our consulates abroad are provided with the list of non-Egyptians who are banned from entry. The entry-ban list is updated by means of daily bulletins; it is sent to the Department of Information at the Ministry of Foreign Affairs, which then circulates it to all consulates on a daily basis.

On this subject, the Egyptian security services have noticed that the lists provided by the Security Council committees, particularly the committee established pursuant to resolution 1267 (1999), for the implementation of which all the required measures were taken, did not include some of the key information mentioned above. These items of information are necessary for efficiency and the fact that they are not available creates some practical problems when it comes to implementing Security Council resolutions.

1.16 The CTC is encouraged to see that Egypt conforms to the standards set in Annex 17 of the Convention on International Civil Aviation. Could Egypt inform the CTC as to the agency or agencies which are responsible for airport and seaport security? If this agency or these agencies are distinct from Egypt's police forces, how is information concerning terrorist threats shared between these organizations? Are periodic security audits performed at airports and seaports? Is access to port facilities controlled? If so, how? Are airport and seaport personnel screened and provided with identity cards to prevent access by unauthorized personnel to these facilities? Are detection devices in place at airports and seaports to screen passengers and cargo for weapons and hazardous materials? Are hazardous materials segregated and secured in cargo movements by air and by sea?

The Ministry of the Interior, in coordination with other State authorities, ensures security at all entry and exit points of the country (land, sea and air).

The agencies responsible for combating terrorism coordinate their activities with all other agencies, each within its area of competence, as soon as they receive information concerning terrorist threats.

Many security measures have been taken at all seaports and airports to control the entrances and exits in all the buildings. Permits (identification cards) are given to staff members, and their access to specific buildings is determined according to their fields of expertise and professional duties.

At the seaports and airports, the agencies responsible for monitoring entrances and exits use all available up-to-date technology to inspect passengers and cargo, in coordination with other competent authorities. They also use manual methods to ensure security at various access points.

Each of the competent agencies takes every precaution within its purview, to isolate and immobilize dangerous substances during the transport of cargo by air or sea.

Controls to deny terrorists access to weapons

- **Subparagraph 2 (a) seeks to eliminate the supply of weapons to terrorists**

1.17 Licence system: Is there a special licence system employed in your country for individuals who seek to purchase firearms and/or their components? If yes, please answer the following questions:

- **Please outline the conditions an individual has to meet under the Egyptian licensing system to entitle him to purchase firearms.**
- **What type(s) of firearms may an individual be licensed to possess? How many firearms of a particular type may an individual be licensed to possess? Are there any exceptions in that regard?**
- **Does the Egyptian licensing system allow for the transfer of licences? If so, under what conditions?**
- **What is the maximum validity of a licence? Is there a specialized agency or a specific department designated to monitor the validity and/or expiry of a licence?**

The Egyptian legislator had laid down rules on the possession and acquisition of weapons under the Weapons and Ammunition Act No. 394 of 1954, as amended, most recently by Act No. 162 of 2003. The Act is divided into three sections, dealing with the possession and acquisition of weapons and ammunition, their import and trade and penalties prescribed and general provisions, respectively.

In that regard, any person who applies for a licence:

(a) Shall be at least 21 years old;

(b) Shall not have received a criminal sentence or a minimum prison term of one year for injury to a person, to assets or to honour, and shall not have been sentenced more than once to a term of imprisonment, even for less than a year, for one of these offences;

(c) Shall not have been sentenced to a custodial penalty for receiving stolen goods, theft or attempted theft, drug trafficking or an offence involving explosives;

(d) Shall not have been sentenced for attempts to harm the Government committed in national territory or from abroad;

(e) Shall not be a homeless person, a suspect, or a person under police surveillance;

(f) Shall be of sound mind;

(g) Shall be physically able to carry a weapon;

(h) Shall be aware of the necessary precautions to take when handling a weapon.

The types of weapons covered by the licence system are smooth-bore firearms, single-shot pistols and certain types of manually loaded rifles. No one is authorized to possess or acquire more than two weapons of the type mentioned in table 2 and more than two weapons of the type mentioned in table 3 (see annex VIII). The law prohibits the granting of licences for weapons mentioned in the second part of table 3, namely, pieces of artillery, automatic weapons, certain types of semi-automatic or rapid-fire automatic rifles and rapid-fire pistols.

Furthermore, the Weapons and Ammunition Act prohibits the transfer of licences, which are titular. A weapon covered by a licence therefore may be made available to a person only if that person already possesses a licence.

A licence remains valid from the day it is issued until 31 December of the third year (year of issuance included). A licence may be renewed for a period of three years. The Department of Public Security and the authorities in charge of criminal investigations at the Ministry of the Interior monitor the validity and expiration of licences and enforce other provisions of the law on persons carrying a licence to possess or acquire firearms.

1.18 Export, import and manufacture of firearms: Is the export, import and manufacture of firearms subject to a licensing system? If yes, please describe the relevant conditions, exceptions, etc., in light of the questions set out above:

- **Is it necessary to lodge, register or check the Goods Declaration and supporting documentation pertaining to firearms prior to their import, export or transit? In addition, is it necessary to encourage importers,**

exporters or third parties to provide information to the Egyptian Customs authorities prior to the shipment of such goods?

- **Are there appropriate mechanisms in place to verify the authenticity of licences and other official documents in relation to the import, export or transit of firearms?**
- **Has Egypt implemented, using risk assessment principles, appropriate security measures concerning the import, export and transit movement of firearms? In that context, does Egypt conduct security checks on the temporary storage, warehousing and transportation of firearms? Does Egypt require persons involved in these operations to undergo security vetting?**
- **Is there any agreement between the Egyptian Customs authorities and legitimate traders, such as manufacturers, dealers, importers, exporters, brokers and commercial carriers of firearms with a view to strengthening controls and to increase accountability?**
- **Are there specialized shops designated to trade in firearms in Egypt?**

The law prohibits natural or legal persons from exporting, importing, manufacturing, shipping or reshipping firearms. Imports and exports are carried out solely by the State with the approval of the competent authorities. The transport of arms from one place to another within the country may be done only with the authorization of these authorities. In accordance with the bilateral agreements it has signed, Egypt is required to notify any country from which it has imported arms of any decision to export those arms to a third country. The State monitors weapons stockpiles, which are guarded in warehouses that meet every security requirement to face all threats. Arms depots are under the authority of highly qualified persons, the contents of these depots are strictly monitored, and unannounced inspections are carried out regularly. Under article 13 of the Egyptian Weapons and Ammunition Act No. 394 of 1954 (as amended), authorized trade in licensed weapons and ammunition is restricted to urban areas. Article 16 authorizes the Minister of the Interior to specify the quantity of weapons that the importer or trader is annually permitted to handle. Article 18 stipulates that licences may not be granted to firms trading in weapons and ammunition in such squares, streets and roads as are designated by decree of the Minister of the Interior.

1.19 **The CTC is aware that Egypt may have covered some or all of the points in the preceding paragraphs in reports or questionnaires submitted to other organizations involved in monitoring international standards. The CTC would be content to receive a copy of any such report or questionnaire as part of Egypt's response to these matters as well as details of any efforts to implement international best practices, codes and standards which are relevant to the implementation of resolution 1373 (2001).**

See annexes VI and IX.

2. Assistance and guidance

2.1 The CTC wishes to emphasize once more the importance it attaches to the provision of assistance and advice in connection with the implementation of resolution 1373 (2001).

Egypt welcomes the technical assistance and guidance that other countries might provide in all areas covered by Security Council resolution 1373 (2001) to help it to apply in the best possible way the provisions of this resolution, particularly concerning modern techniques of investigation, interception and surveillance of communications on the Internet and the use of e-mail, including the training of law enforcement bodies in the use of these techniques.

List of annexes

Annex I: The Suppression of Money-Laundering Act No. 80 of 2002, as amended by Act No. 78 of 2003.

Annex II: Reports of the Financial Action Task Force on Money Laundering (FATF) concerning the situation in Egypt.

Annex III: Decision of the Arab Republic of Egypt establishing a unit to combat money-laundering and Decree of the Prime Minister containing the implementing legislation of the Act adopted on the matter.

Annex IV: Monitoring measures developed by the Central Bank of Egypt to combat money-laundering.

Annex V: Act No. 88 of 2003 promulgating the Act on the Central Bank of Egypt and the banking and monetary system.

Annex VI: United Nations study on the nature of existing relations between terrorism and other types of criminal activities.

Annex VII: Act No. 95 of 2003 repealing Act No. 105 of 1980 and modifying certain provisions of the Penal Code and the Code of Criminal Procedure.

Annex VIII: Summary tables of weapons covered by the Weapons and Ammunition Act No. 394 of 1954, as amended.

Annex IX: Report of the Arab Republic of Egypt submitted in reply to the questions raised by the Security Council Committee established pursuant to resolution 1267 (1999) and its annexes.

Translator's note: Some of the questions contained in document S/AC.40/2003/MS/OC.354 are not addressed in the report, including the last paragraph of question 1.2, question 1.14 and questions 2.2 and 2.3. In addition, most of the sub-headings are not reproduced in the report.

United Nations S/2004/344

Security Council

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Letter dated 26 April 2004 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

I write with reference to my letter of 16 January 2004 (S/2004/57). The Counter-Terrorism Committee has received the attached fourth report from El Salvador submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex).

I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Inocencio F. **Arias**
Chairman
Security Council Committee established pursuant to
resolution 1373 (2001) concerning counter-terrorism

04-34498 (E) 160604 290604

Annex

[Original: Spanish]

Letter dated 21 April 2004 from the Permanent Representative of El Salvador to the United Nations addressed to the Chairman of the Counter-Terrorism Committee

With reference to your Note of 9 January 2004, I have the honour to attach herewith the fourth report of El Salvador submitted pursuant to paragraph 6 of Security Council resolution 1373 (2001) (see enclosure).

(*Signed*) Victor Manuel **Lagos Pizzati**
Ambassador
Permanent Representative

Enclosure

Fourth report of the Republic of El Salvador submitted pursuant to Security Council resolution 1373 (2001)

Replies to the observations of the Counter-Terrorism Committee on the report submitted by El Salvador pursuant to resolution 1373 (2001)

16 April 2004

Implementation measures

Effectiveness in the protection of the financial system

1.1 Effective implementation of subparagraph 1 (a) requires States to have in place effective executive machinery for preventing and suppressing the financing of terrorist acts. In this regard the CTC would be content to know how El Salvador achieves appropriate cooperation and information-sharing among the various government agencies involved in investigating the financing of terrorism (e.g. police, customs, Financial Intelligence Units (FIUs) and other competent authorities).

The aforementioned agencies are responsible for ensuring cooperation and sharing or providing information, either through a specific regulation or in the greater public interest as part of the investigation of criminal activities. At the international level, such cooperation takes place through the implementation of international treaties; it is also very useful that El Salvador's Financial Investigation Unit is a member of international bodies such as the Egmont Group and the Caribbean Financial Action Task Force (CFATF).

The Financial Investigation Department of the National Civil Police works under the functional management and coordination of the Financial Investigation Unit in the Office of the Attorney-General of the Republic.

Information on individuals, institutions and other organizations with links to international terrorism is also received from the embassies of other countries; such information is kept on file. (Source: Financial Crimes Investigation Division)

At the institutional level, information sources have been established through the various government offices with the help of the Ministry of the Interior in the executive branch. In the area of intelligence, the retrieval of relevant information from the various offices of the Salvadoran Government has been harmonized and integrated. (Source: Police Intelligence Centre)

1.2 As regards the effective prevention and suppression of the financing of terrorism, does the Government of El Salvador (or another appropriate supervisory authority) provide training to administrative, investigative, prosecutorial and judicial authorities with a view to enforcing laws concerning:

- **Typologies and trends related to terrorist financing methods and techniques;**

– **Techniques used to trace property which represents the proceeds of crime or which is to be used to finance terrorism with a view to ensuring that such property is seized, frozen and confiscated?**

Please outline relevant programmes and/or courses. What mechanisms/programmes has El Salvador in place to train the different economic sectors to detect suspicious and unusual transactions related to terrorist activities and to prevent the movement of illicit monies?

The Government of El Salvador, through its institutions, provides the relevant authorities with training at the national and international levels. In addition, El Salvador's membership in international groups (the Egmont Group, CFATF and the Inter-American Drug Abuse Control Commission (CICAD) of the Organization of American States (OAS)) has established a direct line of communication and has given it access to knowledge, experience and information on the impact of money-laundering and terrorist financing.

1.3 In relation to the monitoring mechanism established to ensure that funds and other economic resources are not applied to purposes other than their stated purposes, El Salvador states, in its supplementary report (at pages 3 and 4), that it intends "to introduce norms in implementation of the recommendations of the Financial Action Task Force (FATF) and the Group of Experts on Money-Laundering of the Inter-American Drug Abuse Control Commission of the Organization of American States (CICAD/OAS), adopted in Mexico, D.F., in July 2002, concerning the regulations and registration of non-profit organizations". The CTC would be content for a progress report on the development of this process.

As we have stated, non-profit organizations should be placed under a reporting obligation under article 2 of the Money-Laundering Act; however, they have not yet been regulated in this manner.

1.4 As regards the suppression of the financing of terrorism as required by subparagraph 1 (a) of the resolution, the CTC would appreciate learning whether the Financial Investigation Unit of El Salvador has sufficient resources (human, financial and technical) to enable it to carry out its mandate. Please provide appropriate data in support of your response.

First, the Financial Investigation Unit has the necessary legal tools to carry out its mandate. It also has an office specifically designed to meet the standards required for carrying out that mandate; the office's human resources will be increased for that purpose. Government agencies are provided with the necessary financial resources. They have their own technical resources, and the implementation of international programmes provides additional sources of funding.

1.5 Subparagraph 1 (a) of the resolution requires financial institutions and other intermediaries to identify their clients and to report suspicious financial transactions to the relevant authorities. In this regard, could El Salvador provide the CTC with the number of suspicious transaction reports (STRs) received by its Financial Investigation Unit, the number of STRs analysed and disseminated, as well as the number of STRs which have resulted in investigations, prosecutions and convictions?

Since 1999, the Financial Investigation Unit has received and analysed 242 STRs. All 242 reports were investigated; 23 of them resulted in prosecutions and there was one conviction in 2003.

1.6 In regard to the implementation of subparagraphs 1 (a) and (d), the CTC would be grateful to know the number of cases in which penalties were imposed, for the provision of support to terrorists or terrorist organisations, on:

– Non-profit organizations;

– Financial and non-financial institutions;

– Other financial intermediaries.

No penalties have been imposed for the provision of support to terrorist organizations.

1.7 As regards the implementation of subparagraphs 1 (a) and (c) of the resolution, as well as article 8 of the International Convention for the Suppression of the Financing of Terrorism, the CTC would appreciate it if El Salvador could outline its legal provisions in relation to confiscation or other deprivation mechanisms. Please describe how these procedures operate in practice, indicating, inter alia, the authorities responsible for their implementation. Can El Salvador confiscate the proceeds of a crime without first obtaining the conviction of its perpetrator (i.e. in rem confiscation)? If not, is the introduction of such a system envisaged? The CTC would welcome receiving an account of any appellate procedures allowing for the review on appeal of the decisions taken by any such authority or agency. Please indicate the magnitude of the financial assets frozen, seized or confiscated in regard to the prevention of the financing of terrorism.

The confiscation of objects, which does exist in El Salvador, is defined as the act by which property or other items which may be used as evidence, or which are related to the crime or subject to confiscation, are introduced into the criminal proceedings under article 180 et seq. of the Code of Criminal Procedure.

Article 25 of the Money-Laundering Act states that: "In case of urgent need, the Attorney-General of the Republic may order the freezing of the bank accounts of the accused, as well as the funds, rights or other property under investigation, in crimes to which this Act refers. However, they may be frozen only for a maximum of 10 days, during which time a report must be made to the competent judge, who shall determine whether or not there are reasonable grounds for that measure under the law ..."

It should also be noted that under article 24 of the Money-Laundering Act, banking secrecy and tax confidentiality may be lifted for the purposes of identifying the proceeds and/or instruments of a crime. It is highly unlikely that El Salvador would order the permanent confiscation of an asset without first obtaining the conviction of its perpetrator; this is not specifically envisaged in our legislation. **Thus far, there have been no proposals to introduce such a system.** The only procedure allowing for the review of such decisions is annulment, which must be ordered by the court which handed down the decision appealed against; the constitutional remedy of amparo is also available in the case of arbitrary acts committed by civil servants.

There are no statistics on financial assets frozen, seized or confiscated in regard to the prevention of the financing of terrorism because no such action has been taken in respect of any assets whatsoever.

Effectiveness of counter-terrorism machinery

1.8 In the context of the effective implementation of the resolution, the CTC would be grateful if El Salvador could provide it with information regarding its counter-terrorist efforts including, inter alia, an outline of any targeted programmes, the agencies involved, and the functioning of any mechanism aimed at ensuring inter-agency coordination in the areas specified in paragraphs 2 and 3 of the resolution. The CTC is particularly interested in the following areas:

- **Recruitment to terrorist groups;**
- **Tracing links between criminal activities (in particular, drug trafficking) and terrorism;**
- **Preventing the establishment of terrorist safe havens and of other forms of passive or active support for terrorists or terrorist groups.**

The Central American armed forces, through the Conference of Central American Armed Forces (CFAC), have developed counter-terrorism cooperation mechanisms by establishing ongoing links with each country in order to monitor and exchange information regarding the situation of counter-terrorism, organized crime and related activities. A plan establishing the specific activities which each of the armed forces will carry out in order to combat this scourge is also being implemented.

The armed forces maintain a close relationship with the National Civil Police (PNC) in order to provide the necessary support, upon request, through its special units (a Special Anti-Terrorist Command) and another unit; they are structured in a manner which allows them to provide support for any counter-terrorism activity.

The armed forces have special units that are trained to provide security or support in counteracting any terrorist action against a possible terrorist target, provided that the President of the Republic orders it.

Appraisals are being carried out continually, with a view to determining and taking appropriate actions to counteract any threat, and are shared by all Central American countries every year at the Conference of Central American Armed Forces (CFAC). Through agreements made at the Conference, a programme is being developed in line with the appraisals that determines specific actions aimed at counteracting any of the threats under consideration.

In compliance with their constitutional mandate and by order of the President of the Republic, the armed forces have supported the Ministry of Finance and the National Civil Police by providing assistance with activities relating to border control. The Special Brigade for Military Security also keeps border areas under permanent surveillance, preventing any act that might violate national sovereignty.

The National Civil Police (PNC) is party to the Regional Programme to Combat Organized Crime, which covers, among other things, the following illicit activities: contraband; money-laundering; illegal trade in arms, ammunition,

explosives and similar materials; migrant smuggling; terrorism; drug-related activities; kidnapping.

Following the terrorist attacks in Spain on 11 March 2004, the police implemented a series of domestic preventative measures, with the aim of protecting and guaranteeing the normal conduct of the 2004 presidential elections. Actions included preventative patrols for commercial infrastructures, areas with a high concentration of people, and some embassies and hotels. Sources of information were mobilized and security was reinforced at El Salvador's international airport, the Ilopango air base and maritime ports.

At the inter-agency level, expedited channels of communication have been established for the exchange of information between the PNC and Interpol and other State institutions.

As part of a national strategy, the police has continued to support the Directorate-General of Migration (DGM) by undertaking and stepping up migration registration and controls at the national level. The DGM also liaises and coordinates directly with the PNC Border Division regarding those persons who might have possible terrorist links.

Controls to prevent drug trafficking have been established. The Anti-Narcotics Division is a special unit set up to fight drug trafficking and other related illicit activities. Its ongoing police operations to combat this scourge have earned it the backing of United States authorities.

At the level of police intelligence and investigations, possible terrorist links have been sought by evaluating and analysing information of interest to the police in relation to persons and organizations that might commit a terrorist act or related crimes, including illegal trade in arms, trafficking in persons and other possible crimes.

In accordance with the new legislation, the Attorney-General's Office has the necessary and appropriate mechanisms to investigate any type of offence, and the courts of law are responsible for criminal prosecutions, with the support of the PNC as an auxiliary organ.

1.9 The effective implementation of legislation covering all aspects of Security Council resolution 1373 (2001) requires States to have in place effective and coordinated executive machinery and to create and utilize appropriate national and international counter-terrorist strategies. In this context, does El Salvador's counter-terrorist strategy and/or policy targeting (at the national and/or subnational levels) deal with the following forms or aspects of counter-terrorist activities:

- **Criminal investigation and prosecution;**
- **Counter-terrorist intelligence (human and technical);**
- **Special forces operations;**
- **Physical protection of potential terrorist targets;**
- **Strategic analysis and forecasting of emerging threats;**
- **Analysis of the effectiveness of anti-terrorist legislation and related amendments;**

– **Establishment of controls aimed at preventing the trafficking in drugs, arms, biological and chemical weapons, their precursors and the illicit use of radioactive materials?**

Could El Salvador outline its legal provisions, administrative procedures as well as its best practices in this regard? Does El Salvador monitor or review its counter-terrorist mechanisms, both legislative and executive, with a view to improving their effectiveness and enabling them to adapt to developing or evolving situations?

Salvadoran legislation empowers the Attorney-General's Office to give the PNC the functional management of investigating and prosecuting all unlawful activities, including terrorism.

Institutionally, the PNC, as part of the Inter-agency Group against Terrorism (GRICTE), has given its legal support to analysing all relevant international instruments in order to elaborate new anti-terrorist legislation.

Inter-agency support has been received for general and specific cases where it has been necessary to process, supplement and analyse information.

In relation to police counter-terrorist intelligence, various mechanisms of information exchange and mutual support between the police and the other intelligence departments are now operative.

Joint simulation exercises have been held with the Police Reaction Group and the Special Anti-Terrorist Command of the Ministry of Defence's Special Forces. Inter-agency communication and coordination are also constantly maintained.

The Basic Anti-Terrorism Course has been provided to members of the Police Reaction Group.

1.10 In the context of the effective implementation of subparagraph 2 (e), could El Salvador inform the CTC as to the number of persons prosecuted for:

– **Terrorist activities;**

– **Financing of terrorist activities;**

– **Recruiting to terrorist organizations;**

– **Providing or inviting support for terrorists or terrorist organizations?**

How many persons have been prosecuted for inviting support (including recruitment) for:

– **Proscribed organizations;**

– **Other terrorist groups or organizations?**

It is not possible to refer to prosecutions in legal terms because no one has yet been accused of such activities. It is possible to categorically state that El Salvador offers full and diligent international cooperation in relation to the lists or rosters disseminated by countries or the United Nations Security Council with a view to investigating the named persons.

In relation to the financing of terrorist activities, however, the PNC advises that it could report the case of the Italian Leonardo Bertulazzi, linked to the Italian Red Brigade, in which the Financial Investigation Unit of the Attorney-General's

Office was responsible for the operational management of the case, with the full support of the Interpol office in El Salvador. The individual was arrested in Argentina on 3 November 2002 but was later released.

1.11 El Salvador, in its supplementary report (at pages 17-24), describes the authorities responsible for the fight against terrorism. El Salvador also refers in its first report (at pages 4 and 21) to the creation of an Inter-agency Group against Terrorism (GRICTE) as well as a National Commission on National Security. The CTC would be grateful for information as to how the work of those agencies and of the other agencies entrusted with the implementation of resolution 1373 is coordinated. Could El Salvador outline the legislative provisions, administrative mechanisms and practical tools and procedures which it provides for its competent counter-terrorist bodies? Could El Salvador also indicate how it maintains appropriate levels of interaction and coordination between the law enforcement, intelligence and other bodies charged with combating terrorism?

The means of coordination are reflected in the international reports submitted by the Salvadoran Ministry of Foreign Affairs. Coordination is carried out through the national focal point, with periodic meetings on training, follow-up and compliance with provisions and requirements. The meetings are held at the level of the four subcommissions that comprise GRICTE, which is based on resolution 1373 (2001). No legal provisions exist in this regard; however, the preliminary draft special counter-terrorism act is currently being studied. Administrative mechanisms are carried out through the coordination of the Attorney-General's Office, the PNC and the Superintendency of the Financial System (SSF). Owing to the nature and autonomy of the institutions concerned, interaction and coordination are carried out through designated liaison officers and through the setting-up of a crisis room, in which the security and intelligence bodies participate.

1.12 El Salvador states, in its third report (at page 3), that "to combat the complex phenomenon of terrorism special legislation should be enacted". The CTC would appreciate it if El Salvador could provide it with an outline of the steps which El Salvador intends taking in this regard.

Steps include coordination between the legislative and executive branches to coordinate and evaluate legal provisions, such as the legal definition of offences covered by international conventions to combat terrorism, severe penalization of such offences, granting of powers to the bodies responsible for their implementation and legal assistance between States.

Firstly, the Inter-agency Group against Terrorism (GRICTE) carried out a diagnostic study of how national legislation incorporates the provisions of the 11 conventions, agreements and protocols relating to terrorism to which El Salvador is a party, and the provisions of the Inter-American Convention against Terrorism, to which El Salvador is also a party. On the basis of the outcome of the study, it was decided to elaborate a preliminary draft counter-terrorism act. With the support of the Organization of American States, the legislature also worked on a preliminary draft counter-terrorism act. It was therefore decided to join forces and work together on one single preliminary draft; this task is currently being pursued.

1.13 In its supplementary report (at page 4), El Salvador states that its domestic legislation "contains only legal provisions of a general nature for the

investigation of terrorist acts". Could El Salvador indicate whether its laws permit, for investigative and evidentiary purposes, fighting against terrorism by resorting to undercover operations, including controlled deliveries and pseudo-purchase techniques; the use of informants (or other practices aimed at encouraging persons to supply information to the competent authorities); and the monitoring and/or interception of communications (such as the Internet, radio, audio-visual media and other advanced communications techniques)? Could El Salvador indicate whether the provisions and procedures referred to above can be used in cooperation with other States? Can intelligence data be utilized in criminal investigations? Has El Salvador taken legal and practical measures to protect, assist and support victims, witnesses or other persons who provide information concerning terrorist activities in the course of investigative and judicial proceedings?

Article 15, paragraph 4, of the Code of Criminal Procedure states that: "in cases of covert operations carried out by the National Civil Police, deceptive methods that have the exclusive aim of detecting, investigating and proving organized criminal activities will be permitted with the prior authorization in writing of the Attorney-General of the Republic".

Paragraph 5 states that: "in the course of an investigation and under the strict supervision of the Attorney-General of the Republic, it might also be authorized to incite or provoke activities in order to be able to prove the criminal acts under investigation".

These types of investigative methods also comply with article 11, paragraph 1, of the Vienna Convention of 1988. The use of informants to initiate, give impetus to and/or conclude criminal investigations is also permitted. This practice has been endorsed by the courts on several occasions.

It is also legally authorized to refrain from prosecuting one or more of the charges under investigation, in relation to one or more of those involved, when the accused contributes decisively to uncovering the involvement of other persons accused of the same crime or of a more serious one.

It is clear that any other type of incentive can be used for the accused/witnesses or other persons, provided that the information is used in compliance with the principles and rights that govern criminal proceedings in El Salvador.

All the information obtained by means of the above investigative methods may be shared with other States in the context of a criminal investigation. Police intelligence information can also be used in criminal investigations.

El Salvador has adopted legal measures to protect, support and assist victims, witnesses or other persons who collaborate in uncovering criminal activities of any kind (Procedures for the Protection of Witnesses and Experts, chap. VI).

1.14 The CTC would be pleased to receive a progress report on:

- **The review of the definition in the Penal Code of "terrorist acts";**
- **The ratification of the last of the 12 international conventions and protocols relating to terrorism to which El Salvador has yet to become a party;**

– **The enactment of a draft special act for determining the status of refugees which is currently before the Legislative Assembly;**

– **Outcome of the work of the GRICTE, which carried out "a technical evaluation of the possibility of proposing reforms to the Penal Code or of enacting a special law that would characterize the financing of terrorist acts as a serious crime" (page 5 of the supplementary report);**

– **Measures undertaken by the competent authorities in El Salvador in accordance with the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and on Their Disposal, the Regional Agreement on Transboundary Movements of Hazardous Wastes and the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade.**

El Salvador is working on the definition of terrorist acts: the concept will be included in the new special counter-terrorism act that is being elaborated.

El Salvador is a party to 11 of the conventions, agreements and protocols, and a technical analysis of relevant institutions in relation to the Convention on the Physical Protection of Nuclear Material is still being carried out.

This act came into force when it was published in the *Diario Oficial*, No. 356 of 14 August 2002.

It was concluded that it was more advisable to prepare a preliminary draft counter-terrorist act in conjunction with the Legislative Assembly rather than with the support of the Organization of American States, and the act was elaborated by taking the preliminary draft act as a starting point.

Effectiveness of customs, immigration and border control

1.15 Effective implementation of paragraphs 1 and 2 of the resolution requires effective customs and border controls to prevent and suppress the financing of terrorist activities. Does El Salvador impose controls on the cross-border movement of cash, negotiable instruments, precious stones and metals (for example, by imposing an obligation to make a declaration or to obtain prior authorization before any such movements take place)? Please provide information concerning any relevant monetary or financial thresholds.

The third paragraph of article 19 of the Money-Laundering Act states:

> Persons entering the Republic's territory by any route, irrespective of their nationality, must declare possession of cash, banker's drafts, cheques in their name or in another person's in local or foreign currency or securities that amount to one hundred thousand Salvadoran colones or more, or the equivalent in foreign currency, in accordance with local currency fluctuations. Otherwise, the total amount should be determined and, if that is not possible, a sworn declaration should be made to that effect.

Furthermore, failure to comply with the above provision is sanctioned by article 20 of said Act, which states:

> Verification of the truthfulness of declarations is left to the discretion of the Attorney-General of the Republic, in accordance with relevant regulations.

Falsehood, omission or inaccuracy in a declaration will lead to assets being withheld and the application of the corresponding criminal proceedings in accordance with the Act.

Moreover, article 21 states:

If, within thirty days following the withholding of the assets, the legality of their origin has not been reliably established, the withheld money and assets will be confiscated. If the legality of the origin is established, the person guilty of the falsehood, omission or inaccuracy will receive a fine of five per cent of the total amount of the withheld assets, which will be paid to the tax office of the Ministry of Finance.

When assets are confiscated, the Customs Service will deliver the withheld assets to the Attorney-General's Office within eight hours.

El Salvador's Customs Service imposes controls on the cross-border movement of cash, negotiable instruments, precious stones and metals by means of the Money-Laundering Act.

Persons entering the Republic's territory and having in their possession cash, banker's drafts, cheques in their name or in another person's in local or foreign currency that amount to US$ 11,428.57 or more are required to submit a Declaration on the International Transport of Currency or Monetary Instruments to the Customs Service of the Republic of El Salvador, in accordance with article 19 of said Act.

Regarding its controls, the PNC reports that there are vehicle controls in which means of transport, including buses, freight and private vehicles, are searched on a random basis for illicit materials. When they leave the country, during customs formalities, vehicles are issued a form that must be filled out with the vehicle and driver information and returned at the border. This information is then entered into a database.

Before entering the country, individuals must present immigration forms containing personal information.

1.16 El Salvador in its first report (at p. 19) refers to the "issuance of a single identity document, as from 26 November 2001, which will facilitate reliable recording of the existence and identity of individual Salvadorans, with a view to preventing identity fraud". The CTC would be pleased to have a progress report on the development of these processes.

The Single Identity Document (DUI) is the document that reliably identifies individuals in all public and private acts, both within the country and abroad, when these acts have a bearing on El Salvador.

The DUI consists of a basic, secure card containing each individual's personal data. In accordance with regulation 9 of the Organic Law of the National Register of Natural Persons (RNPN), the following information is printed on each card:

On the front:

- The Single Identity Document number, which contains a check digit;
- Expiration date of the DUI;
- Given name and surnames;

- Digital photograph of the person's face;
- Nationality and its type, stating whether it is through birth or naturalization;
- Gender;
- Region, municipality and date of birth;
- Region, municipality and date of issue of DUI;
- Digital signature of the National Register of Natural Persons (RNPN);
- Digital signature, fingerprints or "NE" (not established) code.

On the back:

- Residential address;
- Profession or occupation;
- Civil status;
- Blood type;
- Spouse's name, if married;
- Category of document;
- Bidimensional bar code;
- Postal code.

The DUI was designed as a reliable and secure document with the following, among other features:

(i) Physical and psychological properties which secure the trust of private and public entities as well as citizens in general;

(ii) Consistency and internally secure data that can be verified speedily and safely, ensuring positive identification and uniqueness in the database;

(iii) Enough security levels to reduce or forestall the possibility of duplication or forgery;

(iv) Portable, the size of a credit card and valid for at least 10 years under normal conditions of use;

(v) Control elements that can only be seen or read with special devices.

To comply with the foregoing, the physical features are built into the DUI card in several inseparable strips of high-tech plastic material. The security features are imprinted on one of them and covered by other strips, thus forming an integral frame ready, through a process of thermal dye sublimation, to be imprinted with the bio-data and photograph of each citizen. Once printed out, the front side of the card is overlaid with a holographic security film and laminated by heat sealing (regulation 8, Organic Law of RNPN).

Printing by dye sublimation adds security to the card, since the ink is absorbed by the last strip composing the card. So thin is the strip that any attempt to alter the data contained in the DUI card automatically destroys or damages it.

The DUI card has security features at various levels for verifying the authenticity or validity of the document with a view to preventing or detecting alterations, substitutions and other attempts at forgery. Those levels are the following:

- First level: security features that can be easily observed with the human eye: fine line prints, guilloche patterns, special line weaves, shaded text, Salvadoran coat-of-arms, unique and sequential numbering, holographic lamination, watermark, cameo effect, interlaced picture, data and signature;
- Second level: security features that can be seen using optical instruments or special lighting: microprints and reverse microprints, ultraviolet fluorescent ink and overlay printing;
- Third level: security features that can be verified by the process of electronically coded information (bidimensional bar codes).

The DUI issuance process is reliable, fast and uninterrupted. People must apply for and receive the DUI card in person, and written authorizations or special powers of attorney are not permitted. It is important to stress that the DUI issuance process uses the Automated Fingerprint Identification System technology (AFIS), which provides automated support for recording, storing and identifying fingerprints with a 98.5 per cent plus degree of accuracy. The system uses standard Printrak software to conduct single-to-multiple searches in a growing database with millions of entries. AFIS Printrak easily confirms whether a digitalized fingerprint exactly matches any of the specific minutiae files. The software in the advanced fingerprint processor of the data-entry workstation processes the digitized fingerprint(s) and retrieves the minutiae. Subsequently, the workstation transmits the inserted identification number to AFIS and retrieves the minutiae for corresponding prints stored in the database. The minutiae are returned to the workstation and compared with the minutiae or digitalized prints before a final determination of a hit or no-hit is made.

The informational basis for the issuance of each DUI is found in the database of all birth certificates stored in the civil status registers; the birth certificate for each citizen who initiates the application process is marked, so that it is difficult to duplicate documents having the same identity.

The main steps in the DUI issuance process are the following:

First step: Document review

The applicant submits the documents required to obtain a DUI to the information officer of the DUI service centre. The officer reviews the documentation and, if it is complete, he initials the application form, marks the time it was submitted and asks the applicant to proceed to the data-entry workstation. If the documentation is not complete, the officer informs the applicant accordingly and specifies which documents are missing. The applicant must withdraw, returning only when the documentation is complete.

Second step: Data entry

The computer operator checks that the birth certificate is recorded in the RNPN database. If not, the operator enters the principal data from the certificate into the system and digitizes the entries.

If the birth certificate is found in the database, the operator checks whether it has been marked, that is to say assigned an application or DUI number or both.

The live fingerprinting for AFIS begins with the right index finger and then the left index finger. Should the applicant be missing either of these, the operator takes two prints of the right or left index finger, as the case may be.

The information on the application form is then entered, stored in the database and an original and copy printed out for the applicant to check whether the content matches the application information. Once satisfied that this is so, the applicant signs in acknowledgement of receipt or, if unable to sign, affixes the print of the finger processed for the AFIS.

The operator prints out the heading of the 10-finger card and returns a copy of the application print-out to the applicant, who is asked to proceed to the step where all 10 fingers will be imprinted on the card.

Third step: Recording the prints of all 10 fingers

The clerk places the 10-fingerprint card in a special frame and takes the prints of all the fingers of the applicant.

Fourth step: Picture-taking and DUI print-out

This is one of the most important steps, not only because the photograph and signature are being recorded but also because it is the point where clearance for the printing of the Single Identification Document is authorized or denied.

The photographer asks the applicant for the copy of the printed application. Using the number on it, the photographer loads the data imprinted on the DUI, reads them out to the applicant to reconfirm the data and takes the prints of the same fingers that were processed earlier during the data-entry stage. Then he takes a photograph of the face and digital signature of the applicant, if the applicant is able to sign. If the applicant cannot sign, the print of the same finger as previously recorded is taken. When the system gives the clearance, the photographer prints out the DUI.

Once the photograph has been taken, the photographer gives back the application print-out and asks the applicant to proceed to the document issuance point.

Fifth step: Issuance of the DUI card

The issuing officer calls the name of the applicant and checks whether the photograph on the DUI matches the face of the applicant who comes forward to claim it.

The officer reads the DUI bar code with the help of the bar code reader, which displays the applicant's corresponding data on the screen. The operator checks whether the photograph projected by the computer matches the face of the claimant

and, in turn, whether the photograph printed on the DUI matches the computer projection and the face of the applicant.

Once the ownership of the document is established, the operator registers the DUI file number in the system and issues the DUI card to the applicant together with his personal identification card or submitted document.

The applicant is asked to review the DUI, before leaving, to make sure it contains no errors.

The formalities or procedures for DUI registration may be outlined as follows:

The first step is the personal formality whereby the applicant is issued a DUI for the first time. In this process, the applicant is assigned a single identification number which is kept for life. Every citizen goes through this process once in a lifetime.

Reissuance: this is the personal formality by which the citizen requests the reissuance of a lost, totally destroyed or partly destroyed DUI card.

Modification is the personal formality by which a citizen requests the modification of information on the DUI or in the DUI registration system. Any change in a person's civil status, academic qualifications or name will have to be proved with relevant documents.

There may be cases where an applicant changes data not contained in the DUI card, in which case the modification occurs only at the database level.

Renewal is the personal formality whereby a citizen requests the issuance of a new card to replace one that has expired.

Correction is the personal formality whereby a citizen requests the correction of an error appearing on or material information missing from the DUI through no fault of his or her own. Once such a fact is noted and proved, a new DUI must be issued at no cost to the applicant.

Any Salvadoran citizen may apply to the DUI Centres designated by RNPN and located in the following 14 regional capitals: (1) San Salvador, (2) Chalatenango, (3) Nueva San Salvador, (4) San Vicente, (5) Cojutepeque, (6) Zacatecoluca, (7) Usulután, (8) Sensuntepeque, (9) Santa Ana, (10) Ahuachapán, (11) Sonsonate, (12) San Miguel, (13) San Francisco Gotera, and (14) La Unión.

Applications may be received by the designated centres regardless of the applicant's place of birth or residence and a DUI issued in accordance with the nationwide announcement that the RNPN makes through the communication media.

DUI issuance has helped to consolidate legal and national security because of the guarantee that the holders are who they claim to be and the AFIS technology and birth certificate marking prevent the duplication of identity.

1.17 El Salvador in its first report (at p. 17) states that the monitoring of the transit of goods and persons is ensured through joint task forces made up of members of the National Civil Police and the Salvadoran armed forces, with support from the Ministry of Finance. Could El Salvador please outline the relevant legislative provisions and administrative mechanism? How does El Salvador coordinate the work of the relevant agencies, law enforcement organizations and other competent bodies charged with this work?

By executive agreement, mechanisms for armed forces support to the PNC were established; these include the Joint Task Forces (GTC), which are coordinated through the Director-General of PNC.

Currently, the plan is not operational. Toll roads are patrolled by the Road Patrol Unit of the Finance Division, which maintains permanent control over the highways.

Plans are under way to set up outposts staffed from the narcotics control, finance, transport safety, transit and other divisions which can access online information to check procedures for dealing with smuggling, human trafficking, car theft, drugs and other illicit practices (Source: Finance Division).

1.18 As regards the prevention of the movements of terrorists, the CTC would be grateful for information as to whether El Salvador has established procedures for supplying advance information concerning international cargo and passengers to its own relevant authorities as well as to those of other States, with a view to screening for prohibited cargo and suspected terrorists in advance of disembarkation?

As part of its modernization exercise, the Directorate-General of Customs Revenue has implemented the electronic mailing of waybills ahead of goods by shippers. The relevant data are recorded in the computerized customs information system and can be accessed within the Directorate, just as some customs information systems — SERTRACEN and EXPERTICIA — can be accessed by the PNC.

In agreement with the PNC, machinery with inter-agency linkages has been established, such as the Directorate-General of Migration, consular offices for countries with which El Salvador has diplomatic relations, airlines and, whenever the need arises, telephone or e-mail contact can be established to share information on a particular person, as with Interpol in El Salvador.

There are also institutional channels for receiving United Nations lists and early-warning messages from other States.

Effective of controls preventing access to weapons by terrorists

1.19 Subparagraph 2 (a) of the resolution requires each Member State, inter alia, to have in place an appropriate mechanism to deny access to weapons to terrorists. With regard to this requirement of the resolution as well as to the provisions of the Convention on the Marking of Plastic Explosives for the purpose of Detection and the International Convention for the Suppression of Terrorist Bombings, please provide the CTC with information relevant to the following questions:

(A) Legislation, regulations and administrative procedures

What laws, regulations and administrative procedures exist to exercise effective control over firearms, ammunitions and explosives in the following areas?

- **Export;**
- **Import;**
- **Transit;**

• Retransfer.

What national measures exist to prevent the manufacture, stockpiling, transfer and possession of unmarked or inadequately marked:

• Small and light weapons;

• Other firearms, their parts and components and ammunition;

• Plastic explosives; and

• Other explosives and their precursors.

(B) Export Control

Please describe the system of export and import licensing or authorization, as well as measures on international transit, used by El Salvador for the transfer of:

• Small and light weapons;

• Other firearms, their parts and components and ammunition;

• Plastic explosives;

• Other explosives and their precursors.

Please specify the export control procedures and existing mechanisms for exchange of information on the sources, routes and methods of traders in arms.

– Is it necessary to lodge and register or check the goods declaration and supporting documents relating to firearms prior to their import, export or transit movement? Are importers, exporters or third parties encouraged to provide information to customs prior to their shipment? Please also outline any appropriate mechanism for verifying the authenticity of licensing or authorization documents for the import, export or transit movements of firearms?

– Has El Salvador implemented, using risk assessment principles, any special security measures on the import, export and transit movement of firearms, such as conducting security checks on temporary storage sites, warehouses and means of transport carrying firearms, and requiring persons involved in these operations to undergo security vetting? If yes, please give details.

– Has El Salvador's customs service implemented intelligence-based risk management on borders to identify high-risk goods? Please outline the information required by customs administrations to identify high-risk consignments prior to shipment.

(C) Brokering

– What national legislation or administrative procedures exist to regulate the activities of those who engage in firearms and explosives brokering within national jurisdiction and control? Please outline the relevant procedures with regard to the registration of brokers and the licensing or authorization of brokering transactions.

- **Do your laws require disclosure on import and export licenses or authorization, or accompanying documents, of names and locations of brokers involved in the transaction?**

- **Do existing legal provisions provide for the sharing of the relevant information with foreign counterparts to enable cooperation in preventing illegal shipments of firearms, their parts and components and ammunition as well as explosives and their precursors?**

(D) Law enforcement/illegal trafficking

- **What special measures are used by El Salvador to prevent and suppress illegal trafficking in firearms, ammunitions and explosives utilized by terrorists?**

For the purposes of customs, transit occurs when goods are transferred from one customs service to another, in a container or in a closed means of transport, and protected by a customs transit declaration. Such transit is governed by customs laws on exports and imports.

The transfer of weapons does not fall within the purview of the Customs Service.

Within the context of customs procedures, the following mechanisms are employed to control the export and import of firearms, ammunition and explosives:

The items listed below require authorization from the Ministry of Defence prior to their import, in accordance with the Act on the Control and Regulation of Arms, Ammunition, Explosives and Similar Items, and its Regulations. The list shows the specific products covered by the Act, together with the corresponding article of the Act and/or Regulations.

1. Firearms.....Art. 1, Act
2. Ammunition.....Art. 1, Act
3. Explosives for ammunition.....Art. 38, Act
4. Detonator caps for ammunition.....Art. 38, Act
5. Casings.....Art. 35, Act
6. Warheads.....Art. 35, Act
7. Bullet-proof vests.....Art. 35, Act
8. Pepper spray (commercial form).....Art. 35, Act
9. Rubber bullets.....Art. 35, Act
10. Spare parts for firearms.....Art. 35, Act
11. Accessories for firearms.....Art. 35, Act
12. Explosives.....Art. 47, Act; Art. 95, Regulations
13. Similar items (pyrotechnic products and chemicals).....Art. 57 Act; Art. 98, Regulations

14. Lead.....Art. 135, Regulations

15. Industrial detonating caps.....Art. 135, Regulations

16. Industrial security equipment (respirators, masks, etc.).....Art. 135, Regulations

A list of the items considered to be similar to explosives is contained in article 98 of the Regulations on the Weapons Act, as well as in the List of Materials Used in the Manufacture of Pyrotechnic Products in El Salvador, as registered by the El Salvadoran National Fire Department.

Control over firearms, ammunition and explosives is also governed by the Act on Fees for the Issuing of Licences and Permits for the Control of Firearms, Ammunition, Explosives and Similar Items.

Decree No. 647, article 5, on regulation X of the Regulations for the Application and Interpretation of the Central American Import Duties Agreement, provides a list of import items that may be prohibited, impounded or restricted. The article defines the various types of firearms, ammunition, explosives and similar items as restricted import items that are subject to the control of the Ministry of Defence and Public Security within the terms of chapter 93 (Arms and Ammunition), section XIX, of the same Act, which is set out below:

Chapter 93

Arms and ammunition

1. The import of pistols, revolvers, shotguns and weapons cartridges requires the presentation of a permit issued by the Ministry of Defence and Public Security;

2. Revolvers and pistols of 41 calibre or higher, and silencers for all classes of firearms, may not be imported;

3. Confiscated arms and cartridges of all types, as well as incendiary, detonating or explosive substances that could be used as raw materials for the manufacture of explosives, together with asphyxiating gases, tear gas, vesicants or any other toxic gases, must be placed under the authority of the Ministry of Defence and Public Security;

4. The importing of bladed weapons requires a permit issued by the said ministry in all cases.

Sources:

- Act on the Control and Regulation of Arms, Ammunition, Explosives and Similar Items, and its Regulations;
- Act on Fees for the Issuing of Licences and Permits for the Control of Firearms, Ammunition, Explosives and Similar Items;
- Decree No. 647, Regulations for the Application and Interpretation of the Central American Import Duties Agreement;
- Decree No. 647; Notes on Import Duties, section XIX, chapter 93, Arms and Ammunition.

The Ministry of Defence is responsible for the control of all arms exports, in accordance with the provisions of articles 50 to 56 of the Act on the Control and Regulation of Arms, Ammunition, Explosives and Similar Items.

Sources:

- Legal Advisory and Research Department, Directorate-General of Customs Revenue (DGRA);
- Act on the Control and Regulation of Arms, Ammunition, Explosives and Similar Items.

Customs procedures concerning firearms do not require that information contained in goods declarations be submitted prior to their import, export or transit, unless there is a requirement for such information to be sent by electronic mail, since all imports and exports must be processed through the Internet, with the exception of those processed through the Central American Single Customs Form (FAUCA) system.

Whenever there is a requirement for goods declarations to be transmitted by electronic mail, the information contained in the declaration is first entered into the computer database of the Customs Service. The declaration is then duly presented and verified when the goods arrive at the customs checkpoint. Thus, while it is possible to register goods declarations before their import, export or transit, they may not be actually presented and verified until the goods themselves reach the checkpoint.

El Salvador does not have a mechanism for verifying the authenticity of licences or permits for the import, export or transit movements of firearms. In the event of any uncertainty, the institution issuing the permit is contacted by telephone and requested to confirm that it did in fact issue the authorization in question.

Sources:

- Legal Advisory and Research Department, DGRA;
- DPR Circular No. 38-2003, issued by DGRA.

The El Salvador Customs Service does implement security measures on temporary storage sites and warehouses during the import, export and transit movement of firearms, in accordance with articles 59 to 69 of the Regulations on the Act on the Control and Regulation of Arms, Ammunition, Explosives and Similar Items. Control over means of transport carrying firearms is governed by articles 70 and 71 of the same Act.

Sources:

- Regulations for the Act on the Control and Regulation of Arms, Ammunition, Explosives and Similar Items;
- DGRA Projects Department.

Whenever goods declarations are presented for firearms, ammunition, explosives or similar items, the practice established by the El Salvador Customs Service is to ensure that the outcome of the selection process is always "physical inspection". This ensures that the goods concerned will be more effectively inspected. The same system is used for all other goods regarded as high risk.

There is also a database of the most frequent offenders. The data are used to identify offenders who are required to select the "red" channel — that is, those who must be subjected most frequently to physical inspection.

There are other measures for detecting high-risk goods. These are implemented by other institutions, such as the National Civil Police (PNC).

Source:

- DGRA Projects Department.

With respect to the related laws, regulations and procedures, the PNC reports that it is the Constitution of El Salvador that dictates which body shall be responsible for supervising and controlling the import, export, manufacture, sale and use of firearms. Furthermore, the Penal Code typifies offences such as the possession, bearing or conveyance of military weapons and the illegal trade and storage of weapons, and there is also the Act on the Control and Regulation of Arms, Ammunition, Explosives and Similar Items, and its Regulations. The law defines the functions of each institution (PNC, Ministry of Defence) with respect to export, import, transit and transfer.

With regard to national instruments, the Penal Code typifies the hand manufacture of arms and explosives, as well as the storage, transfer and possession of this type of material. Furthermore, according to the draft special act, the Ministry of Defence is responsible for authorizing any formality related to firearms, explosives and similar items. (Source: Arms and Explosives Division.)

Although exports are covered by the special act and regulated by the Ministry of Defence, they rarely occur, since El Salvador is not a producer of firearms or explosives. However, the act does establish controls and set out the responsibilities of each institution. (Source: Arms and Explosives Division.)

With respect to international transit, an International Goods Transit Declaration (DMTI) is currently being designed, which will record the beginning and completion of transit. A time-period of 12 to 18 hours is allowed for transit, and if it is not duly completed, a search order is issued.

With respect to the verification of weapons-related goods as a control procedure, the general tendency is to use electronic mail, with the relevant data, as well as duty payments, being sent to customs authorities in advance, so that they have prior notice. The Customs Service has set up a risk-analysis unit for processing this information. (Source: Finance Division.)

As mentioned previously, the applicable laws are the Constitution; the Penal Code; and the Act on the Control and Regulation of Arms, Ammunition, Explosives and Similar Items, and its Regulations; as well as those conventions and treaties signed and ratified by El Salvador that make provisions for permits to be issued by the Ministry of Defence. Information exchange usually takes place through Interpol, or within the Ministry itself. (Source: Arms and Explosives Division.)

1.20 The CTC is aware that El Salvador may have covered some or all of the points in the preceding paragraphs in reports or questionnaires submitted to other organizations involved in monitoring international standards. The CTC would be content to receive a copy of any such report or questionnaire as part of El Salvador's response to these matters as well as details of any efforts to

implement international best practices, codes and standards which are relevant to the implementation of resolution 1373 (2001).

See annex I.

2.1 In that context, the Committee would be pleased to hear whether there are areas in which further assistance or advice might prove beneficial to El Salvador in the steps which it is taking to implement the resolution. The CTC would also appreciate receiving information from El Salvador concerning areas where it might be in a position to provide assistance to other States in relation to the implementation of the resolution.

The executive branch, through the Inter-Agency Group against Terrorism (GRICTE) is preparing a work plan and schedule of meetings, together with the Security and Anti-Drugs Committee of the Legislative Assembly, to formulate a special counter-terrorism act. In this connection, the Government of El Salvador would be grateful for any support and advice that the Committee might wish to provide regarding the formulation of counter-terrorism laws, with a view to ensuring that El Salvador possesses an adequate legal framework for combating the scourge of terrorism.

The PNC has provided a list of the types of institutional assistance and training that will be required in counter-terrorism efforts:

- Operational intelligence in terrorism prevention and counter-terrorism;
- Assistance with police measures (investigative and intelligence-related) for the prevention and suppression of terrorism-related actions: recruitment, supply of weapons, financing, planning, perpetration of crimes, and other aspects;
- Assistance and guidance in the implementation of flexible mechanisms for the exchange of information at the regional and international levels, concerning: falsification of documents; the movements of terrorists; trafficking in arms, explosives or hazardous materials; the use of communications technology; and the threat posed by weapons of mass destruction;
- Guidance on the detection of banned persons and goods at border crossings;
- Training in counter-terrorism measures for mid-level and senior police officers, focusing on how to detect the movements of individuals engaged in terrorist activities;
- Assistance and guidance in setting up a database concerning persons and information of interest to the police in the area of terrorism,
- Comprehensive training and guidance on counter-terrorism for elite police units;
- Assistance and guidance on how to deal with acts of destabilization (terrorism), such as setting up crisis centres, inter-agency coordination, staging simulated attacks and other terrorism-related measures;
- Assistance and guidance in investigating the supply of funds, financial assets or economic resources to persons and organizations related to terrorism.

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Letter dated 27 April 2004 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

The Counter-Terrorism Committee has received the attached report from the League of Arab States submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex).

I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Inocencio F. **Arias**
Chairman
Security Council Committee established pursuant to
resolution 1373 (2001) concerning counter-terrorism

04-34492 (E) 290604 300604

Annex

Note verbale date 26 April 2004 from the Office of the Permanent Observer for the League of Arab States to the United Nations addressed to the Chairman of the Counter-Terrorism Committee

[Original: Arabic]

The Office of the Permanent Observer for the League of Arab States to the United Nations presents its compliments to the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism and has the honour to transmit herewith the text of a report prepared by the General Secretariat of the League of Arab States and covering the efforts made by the League of Arab States in the area of counter-terrorism. The Office of the Permanent Observer would be grateful if you could arrange for this text to be published and circulated as an official document of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism.

The Office of the Permanent Observer of the League of Arab States to the United Nations takes this opportunity to convey to the Chairman of the Counter-Terrorism Committee the renewed assurances of its highest consideration.

Report on the counter-terrorism efforts made by the League of Arab States

Introduction

While the tragic events of 11 September 2001 signalled the beginning of a vast international counter-terrorism campaign, the Arab States did not wait until that moment to act. Indeed, they had long been aware of the grave danger that terrorism poses both to Arab societies and to humankind as a whole, not to mention international peace and security, which for decades have been affected by this scourge and the tragedies and horrors that it causes. The League of Arab States and all its bodies have also made the issue of terrorism a top priority and have condemned all forms and manifestations of terrorism forcefully, whatever the motives or purposes, at summits, ministerial meetings and specialized ministerial council meetings. Furthermore, the League has taken a number of practical measures and steps to combat terrorism (see the most recent resolution on combating international terrorism (annexed) which the Council of the League adopted at a ministerial meeting held during its one hundred and twenty-first regular session on 3 March 2004).

The efforts made by the League of Arab States in the area of counter-terrorism at the Arab level resulted in the signing on 22 April 1998, during a joint meeting of Arab ministers of justice and of the interior held in Cairo, of the Arab Convention on the Suppression of Terrorism, which entered into force on 7 May 1999 and to date has been ratified by 17 Arab States. The League also devotes many efforts, at both the regional and international levels, to combating terrorism. This report describes those efforts, which essentially involve:

(1) Joint Arab action to combat terrorism at the Arab level;

(2) Regional and international cooperation in the area of counter-terrorism.

I. Joint Arab action to combat terrorism at the Arab level

Action by the Arab League involves the following:

1. The Arab Convention on the Suppression of Terrorism and its implementation mechanism

The Arab Convention on the Suppression of Terrorism was signed during a joint meeting of the Council of Arab Ministers of the Interior and of the Council of Arab Ministers of Justice held in Cairo in April 1998, thus reflecting the will of States members of the League of Arab States to strengthen their mutual cooperation in the area of counter-terrorism. A joint ministerial commission allocated responsibility to the two aforementioned councils for developing an implementation mechanism of the Convention comprising implementation measures and related questionnaires (52 questionnaires in total) concerning judicial and security cooperation (the annex to this report contains a sample of these questionnaires). Furthermore, the Arab Criminal Police Bureau was given the responsibility of monitoring the implementation of the Convention by the Arab States and submitting an annual report on its findings to the two aforementioned ministerial councils at

their respective regular sessions. The Bureau is also responsible for following up, in conjunction with the member States, the implementation measures and related questionnaires and evaluating them five years after the entry into force of the Convention. It has already submitted three annual reports covering the years 2001, 2002 and 2003.

Within the framework of efforts to implement the provisions of the Convention, the Council of the League of Arab States decided at a summit meeting that it would, pursuant to decision 231 of 28 March 2002, consider the possibility of including among the offences covered by the Arab Convention on the Suppression of Terrorism the incitement to or encouragement of terrorism, the printing, circulation or distribution of terrorism-related publications, the use of charitable associations to raise funds earmarked for terrorism, and the acquisition or use of assets for terrorist purposes. In accordance with that decision, a Joint Technical Commission of the Council of Arab Ministers of the Interior and the Council of Arab Ministers of Justice was established. In order to meet the requirements of the aforementioned decision, that Commission drafted an amendment to the Convention which was adopted pursuant to decision 492 taken by the Council of Arab Ministers of the Interior at its nineteenth regular session on 8 October 2003 and decision 418 adopted by the Council of Arab Ministers of Justice at its twenty-first regular session on 5 January 2004. The General Secretariat of the League of Arab States invited member States to take the necessary constitutional measures for the draft amendment to be ratified.

2. The legal framework of inter-Arab judicial and security cooperation

In addition to the Arab Convention on the Suppression of Terrorism, inter-Arab judicial and security cooperation is regulated by instruments that were adopted in the context of the League of Arab States, as follows:

1. Extradition Agreement (signed in 1952 and entered into force in 1954);

2. Agreement on the implementation of provisions (signed in 1953 and entered into force in 1954);

3. Agreement concerning letters rogatory (signed in 1953 and entered into force in 1954);

4. Riyadh Convention on judicial cooperation (signed in 1983 and entered into force in 1985);

5. Baghdad Declaration on combating unlawful acts against the safety of civil aviation (1989);

6. Arab Agreement on combating illicit traffic in narcotic drugs and psychotropic substances (1994);

7. Arab counter-terrorism strategy (1994);

8. Arab model law on weapons, ammunition, explosives and dangerous substances (2002).

3. The Council of Arab Ministers of the Interior

The Council of Arab Ministers of the Interior has been concerned, since its inception, with terrorism, because of the extreme dangers for which this

phenomenon poses for society. The diverse activities carried out by the Council within the framework of counter-terrorism can be summarized as follows:

(a) Conventions, strategies and phased plans

The instruments developed by the Council of Arab Ministers of the Interior include the following:

(i) The Counter-Terrorism Code of Conduct for States members of the Council of Arab Ministers of the Interior

The Council of Arab Ministers of the Interior adopted in 1996 a counter-terrorism code of conduct by which member States pledge to take further action against terrorist elements and prevent them from infiltrating illegally across borders or staying in their territory. Furthermore, Arab States have agreed on the importance and indispensability of lending each other mutual assistance in the search for and arrest of fugitives accused of terrorist offences or sentenced for such offences. The Code also commits member States to the coordination of their surveillance procedures along borders and at points of entry to and egress from the territory to prevent the transport or use of weapons, ammunition and explosives for illegal purposes.

(ii) The Arab Counter-Terrorism Strategy and its two phased plans

The Council of Arab Ministers of the Interior adopted in 1997 an Arab counter-terrorism strategy that contains a series of definitions and goals and seeks to coordinate counter-terrorism in Arab States and strengthen cooperation with the international community in this area. The Arab Criminal Police Bureau, which is under the jurisdiction of the Council's General Secretariat, monitors the implementation of this Strategy by Arab States and reports annually thereon to the Council at its regular session. To translate its Strategy into action, the Council adopted an initial phased triennial plan in 1998 containing a range of programmes whose execution was entrusted to the General Secretariat (the administrative and technical body of the Council) and the Nayef Arab Academy for Security Sciences (the scientific body of the Council). Once the plan was completed and the approved programmes were executed, the Council adopted at the beginning of 2001 a second phased plan covering the period 2001-2003, all of whose programmes have been implemented. Within the General Secretariat, a working group met to draft a third phased plan, which was submitted and adopted at the twenty-first regular session of the Council, held in Tunis from 4 to 6 January 2004.

(b) Compilation of counter-terrorism legislation and ratified agreements

At the time of implementation of the first and second phased plans of the Arab Counter-Terrorism Strategy, the General Secretariat assigned to the Arab Criminal Police Bureau the responsibility of:

- Compiling the texts of counter-terrorism laws in force in the member States for distribution to the Ministers of the Interior of Arab countries for their information;
- Compiling the texts of bilateral and multilateral counter-terrorism agreements for distribution to all member States.

In past years, the Arab Criminal Police Bureau has assembled a great deal of material on the counter-terrorism laws in force in Arab States and the relevant agreements that have been ratified, whether they dealt exclusively with terrorism or were concerned with terrorism as part of a general security agreement. Such material and agreements were distributed to Arab States for their information.

(c) Framework laws

In order to establish a legal framework to help Arab States in their efforts to promulgate or modify legislation concerning counter-terrorism, the Council adopted three framework laws, as follows, the text of which has been distributed to member States:

- Arab framework law on counter-terrorism;
- Arab framework law concerning weapons, munitions, explosives and dangerous substances;
- Arab framework law on extradition.

(d) Framework plans

In carrying out the two phased plans of the Arab Counter-Terrorism Strategy, the General Secretariat developed a series of framework plans to combat the various forms of terrorism. The following framework plans were brought to the attention of member States for their information:

- Two framework plans to combat acts of terrorism (2000), the first of which focuses on legal aspects and the second on practical aspects on the ground;
- Framework plan to combat hijacking and liberate hostages (2001);
- Framework plan for the elimination of groups belonging to organized criminal networks (2000);
- Framework plan to combat acts of terrorism committed aboard means of transport (2002);
- Framework plan for the protection of public buildings against acts of sedition (2002);
- Arab security plan to combat acts of terrorism committed on board ships (under development).

(e) Measures taken to prosecute terrorists

In order to prosecute terrorists, the Arab Criminal Police Bureau has:

- Strengthened inter-Arab cooperation in the area of search, investigation and arrest procedures for fugitives who have perpetrated terrorist offences;
- Ensured coordination between Arab States in the exchange of data, experience and information relating to terrorism problems;
- Received and disseminated "wanted" and "no longer wanted" notices in connection with fugitives accused of terrorist offences or sentenced for such offences;

- Developed a database on terrorism in all its forms and manifestations and communicated to Arab security services all available information in that regard, as well as any new information that becomes available;

- Periodically updated and circulated to all member States the blacklist of persons who have fomented or carried out acts of terrorism.

(f) Annual conferences of counter-terrorism officials

Since 1998, a conference of counter-terrorism officials in Arab countries has been organized every year by the General Secretariat of the Council of Arab Ministers of the Interior. These conferences offer counter-terrorism officials the opportunity to exchange their experiences and know-how, as well as to consider thoroughly the different aspects of terrorism and propose solutions.

(g) Raising public awareness of the dangers of terrorism through the media

The Council of Arab Ministers of the Interior attaches great importance to information activities designed to raise public awareness of counter-terrorism efforts, which is critical to those efforts. It is in this spirit that it has adopted a series of measures, including the following:

(i) Development of outreach strategies

In the context of the Arab information strategy to raise public awareness about security issues and protect the public from crime, as well as other phased plans adopted by the Council, the following public awareness strategies have been developed by the General Secretariat of the League of Arab States and then disseminated to the member States for their information:

- A public awareness strategy intended to reaffirm the fundamental concepts of Islam and rectify the erroneous notions that advocates of violence and extremism propagate (1992);

- A model Arab outreach strategy to increase awareness about security issues and protect the public from crime (1998);

- A model Arab outreach strategy to increase awareness among the people of the Arab world about the dangers of terrorism and instil in them spiritual, moral and educational values (1999);

- A model comprehensive outreach strategy to alert the Arab population to the dangers of terrorism (2000).

(ii) Film production to raise public awareness

As part of its mandate, the Arab Security Information Bureau, which is under the jurisdiction of the General Secretariat of the League of Arab States, has produced the following films, which warn against the dangers of terrorism and urge the population to cooperate with the security services in combating terrorism:

- A film to raise public awareness of the threats that terrorist offences pose to the security and stability of Arab nations (1998);

- A film intended to raise public awareness of the threats that terrorist offences pose to the security and stability of the Arab world and to encourage all strata of society to cooperate with the police services to combat terrorism (1999);
- A film aimed at informing the Arab population about the importance of its role and the magnitude of its responsibilities in the area of terrorism and other acts of violence (2001).

(iii) Publications of press releases

The General Secretariat of the League of Arab States keeps apprised of acts of terrorism committed throughout the world and issues press releases expressing the positions of the Council regarding specific terrorist incidents and terrorism in general. These positions include: the condemnation of all acts of terrorism, regardless of causes and motivation, whether committed by individuals, by groups or by States; the rejection of any act of this type committed in the name of religion; a clear distinction between terrorism and the legitimate struggle of peoples for their liberation and against aggression. The press releases, which are disseminated by various media, are aimed at alerting the public awareness to the dangers of terrorism and refuting the arguments of those who advocate it.

The Council of Arab Ministers of the Interior has stated the aforementioned positions on more than one occasion. It issued a number of press releases at the end of its fifteenth session (held in Tunis in 1998) and its sixteenth session (held in Amman in 1999). At its seventeenth session (2000) and at its nineteenth session (2002), it issued the Algiers Declaration and the Beirut Declaration.

(b) Cooperation with Arab and international institutions

The Council of Arab Ministers of the Interior is intent on cooperating with the Arab and international institutions involved in counter-terrorism. At the international level, the General Secretariat of the Arab League and the International Criminal Police Organization (Interpol) have signed a memorandum of understanding that defines cooperation between them with respect to crime, including terrorism.

4. Council of Arab Ministers of Justice

Since its inception, the Council of Arab Ministers of Justice has consistently concerned itself with the issue of counter-terrorism. It oversees the implementation of the Arab Convention on the Suppression of Terrorism, as well as relevant international agreements and covenants, and ensures the coordination of Arab positions on the matter. In this context, it has carried out various activities. For example, it invited the members of the Group of Arab States to New York to coordinate their efforts and positions on the issue of the International Convention for the Suppression of the Financing of Terrorism, the draft international convention for the suppression of acts of nuclear terrorism and the draft comprehensive convention on international terrorism. It received from the Permanent Mission of the League of Arab States to the United Nations a number of reports and notes concerning Arab initiatives on the issue. In addition, it took note of the observations made by some Arab States concerning the aforementioned draft conventions and transmitted them to the Arab Ministers of Justice, as well as to the Office of the Permanent Observer for the League of Arab States to the United Nations, so that the

delegations of Arab Member States may refer to them in the course of meetings on the subject.

The Technical Secretariat of the Council of Arab Ministers of Justice informed the Arab Ministries of Justice of the adoption of the International Convention for the Suppression of the Financing of Terrorism. This instrument was adopted by the General Assembly without a vote on 9 September 1999 and was open for signature at United Nations Headquarters in New York from 10 January 2000 to 31 December 2001. The Technical Secretariat urged Arab States to commit themselves to signing and ratifying this Convention or acceding to it, as well as other United Nations instruments on counter-terrorism, and has received a number of replies in that regard. Furthermore, it has established a list of such instruments, while taking into account the responses and explanations contained in the report on measures to eliminate international terrorism which the Secretary-General submitted at the fifty-eighth session of the General Assembly (annex).

The Council of Arab Ministers of Justice adopted at its most recent session a number of decisions on strengthening coordination between Arab delegations during meetings of the Ad Hoc Committee responsible for drafting a comprehensive convention on international terrorism and urged Arab Ministers of Justice to transmit their observations on this draft convention to the Technical Secretariat of the Council.

The Arab Council of Ministers adopted at its nineteenth session decision 505, dated 8 October 2003, in which it reaffirmed the support of the League of Arab States for the efforts of the United Nations to eliminate international terrorism, particularly with respect to the convening of an international conference to examine the phenomenon of terrorism, the preparation of a draft comprehensive convention on international terrorism and the question of agreeing on a definition of terrorism reflecting the distinction between terrorism and the right of peoples to resist foreign occupation. The Council also reaffirmed, as it had done in its previous resolutions, its condemnation of terrorism in all its forms and manifestations, regardless of the causes and origin and whatever the motive or purpose. It called for urgent action to address the deep causes of terrorism, and it rejected the accusations of terrorism levied against Arbas and Muslims, while reaffirming the noble principles upheld by Islam and its repudiation of all forms of terrorism. It also urged the Council of the League of Arab States to consider ratifying or acceding to the international instruments concerning counter-terrorism and to submit to the contact point in the League of Arab States which maintained liaison with the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism, clarifications and proposals concerning the anti-terrorist measures taken pursuant to the aforementioned resolution and the relevant General Assembly resolutions. The Council also reaffirmed that it was indispensable to strengthen cooperation between the League of Arab States and the Terrorism Prevention Branch of the United Nations Office on Drugs and Crime in Vienna, and it asked the Council's Technical Secretariat to monitor cooperation and coordination together with the General Secretariat of the Council of Arab Ministers of the Interior and with other competent authorities of Arab States, particularly with respect to technical assistance, the exchange of information and know-how and bringing national laws into line with international instruments concerning counter-terrorism.

5. Coordination and cooperation between the Council of Arab Ministers of the Interior and the Council of Arab Ministers of Justice

The specialized Arab ministerial councils and organizations established within the framework of the Secretariat of the League of Arab States cooperate closely. The most important aspect of this cooperation is between the Council of Arab Ministers of the Interior and the Council of Arab Ministers of Justice, which resulted in the conclusion of the Arab Convention on the Suppression of Terrorism.

A joint commission of the Technical Secretariat of the Council of Arab Ministers of Justice and the General Secretariat of the Arab Ministers of the Interior was established in accordance with Decision No. 445, dated 25 October 2002, of the Council of Arab Ministers of Justice. This Commission is responsible for considering legal and security-related matters submitted to it by the two aforementioned ministerial councils, to monitor the implementation of decision 445 and coordinate positions at the Arab and international levels, to report to the two councils at their regular session and to ensure that the two secretariats mentioned above continue to communicate with each other and strengthen their cooperation.

The Executive Office of the Council Arab Ministers of Justice adopted at its 24th meeting on 4 March 2002 a decision in which it requested the Technical Secretariat of the Council to implement the resolution on furthering cooperation with the General Secretariat of the Council of Arab Ministers of the Interior in order to monitor the functioning of the mechanisms for implementing cooperation of the Arab Convention on the Suppression of Terrorism and submit a report on the subject to the Executive Office and the Council. It urged Arab States that had not yet filled out the questionnaire relating to the implementation of the Convention to do so and to ensure coordination between ministries of justice and ministries of the interior in connection with the aforementioned mechanisms.

6. Coordination and cooperation between the Council of Arab Ministers of the Interior and the Council of Arab Ministers of Justice

In 2003 the Council of Arab Ministers of the Interior and the Council of Arab Ministers of Information held a joint meeting to consider ways of coordinating their activities in the area of information on security matters and of strengthening the role played by information both in the area of combating crime, particularly counter-terrorism, and in the efforts to alert the public to the dangers of terrorism.

II. Cooperation at the regional and international levels in the area of counter-terrorism

1. Cooperation at the regional level

The League of Arab States participated in the work of the special session on terrorism of the Islamic Conference of Foreign Ministers that took place in Kuala Lumpur (Malaysia) from 1 to 3 April 2002 and resulted in the publication of the Kuala Lumpur Declaration on International Terrorism. This Declaration contains a number of essential recommendations, the most important of which reaffirm the need to step up efforts to achieve the ratification of a comprehensive convention on international terrorism; to support the positions taken by States members of the Organization of the Islamic Conference during ongoing negotiations on that

convention; and to endeavour to work out an internationally agreed definition of terrorism in which a distinction is drawn between acts of terrorism and legitimate resistance to foreign occupation for the sake of national liberation and self-determination, for incorporation in a draft comprehensive convention on international terrorism.

Several States members of the League of Arab States have signed or ratified the Convention of the Islamic Conference on Combating International Terrorism and the Organization of African Unity Convention on the Prevention and Combating of Terrorism. Furthermore, the Arab States participate effectively in the activities that the two aforementioned organizations carry out in the area of counter-terrorism. Coordination between the Arab States and the League of Arab States in regard of activities or efforts undertaken in the framework of the two aforementioned conventions is total and constant. The Technical Secretariat thus sent to the Arab ministers of justice and the General Secretariat of the Council of Arab Ministers of the Interior a copy of the text of the Convention of the Organization of the Islamic Conference on Combating International Terrorism, which was adopted at the Islamic Conference of Foreign Ministers and distributed as a document of the United Nations, upon the request of the Chairperson of the Group of Islamic States of the United Nations, in accordance with resolution 5909 adopted by the Council of the League of Arab States at its one hundred and twelfth regular session and the resolution of the joint ministerial commission of the Council of Arab Ministers of Justice and the Council of Arab Ministers of the Interior.

Generally speaking, the League of Arab States has organized several Arab and regional conferences and colloquiums on terrorism or taken part in activities of this nature.

2. International cooperation

The counter-terrorism activities carried out at the international level by the League of Arab States and by its various bodies are focused essentially on cooperation with the United Nations and all its bodies that deal with terrorism, the follow-up to resolutions and documents issued by these bodies, the consideration and analysis of relevant texts, and cooperation with other competent organizations and international bodies in the area of counter-terrorism. A brief summary of these activities follows.

The Arab Convention on the Suppression of Terrorism was deposited with the Secretary-General and was reproduced in General Assembly documents A/54/301, A/55/179 and A/56/160, dated 3 September 1999, 26 July 2000 and 3 July 2001, respectively. It is one more in the series of international legal instruments concerning the prohibition, suppression and prevention of international terrorism.

In the context of Security Council resolution 1373 (2001) and in response to a request of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism, a contact point responsible for maintaining liaison between the Committee and the Secretary General of the League of Arab States (legal administration) was established. Moreover, in response to the request by the Committee Chairman contained in document A/AC.40/2003/SM.1/2, the General Secretariat of the League reported to the Committee the results that it had obtained in the area of counter-terrorism.

The Secretary General of the League of Arab States has appointed a team of experts responsible for considering Security Council resolution 1373 (2001) in order to find the best means of implementation, for identifying any obstacles that Arab States might encounter when implementing the provisions of the aforementioned resolution and for proposing ways of overcoming such difficulties. The team of experts held its first session at the headquarters of the General Secretariat of the League of Arab States in Cairo on 13 and 14 January 2002 and at the close of the session issued a report and recommendations, which were adopted at the ministerial and summit meetings. The second session of the team, held in Cairo from 5 to 8 January 2003, also gave rise to a report and recommendations. Within this framework, Arab States expressed their full endorsement of Security Council resolution 1373 (2001). The team of experts also considered some of the difficulties and negative consequences stemming from the implementation of the resolution and examined possible ways of rectifying them. It recommended that support should be given to the contact point responsible for maintaining liaison between the General Secretariat (legal administration) and the Committee for the purposes of follow-up and coordination.

The Secretary-General of the League of Arab States transmitted a report to the Secretary-General on steps taken by the League in the area of counter-terrorism, which were reflected in document A/57/183 and then submitted to the General Assembly at its fifty-seventh session. Furthermore, as regards international instruments concerning counter-terrorism, the Secretary-General of the League is in the process of gathering and publishing information on the status of signatures, ratifications and accessions by Arab States and has also distributed a questionnaire of the United Nations Office on Drugs and Crime concerning the nature of the links between terrorism and other forms of crime.

The League of Arab States participated in another meeting of international and regional organizations and the Counter-Terrorism Committee held in New York on 6 March 2003, at the close of which it submitted a report to the Committee on the activities that it had conducted in the area of counter-terrorism. Following that meeting, a final document was issued with the symbol S/AC.40/200/SM.1/4. At the invitation of the Chairman of the Committee and the Chairman of the Inter-American Committee against Terrorism of the Organization of American States, the League also participated in a meeting of representatives of these two committees and international and regional organizations held in Washington on 7 October 2003 to review the follow-up to the implementation of the programme of action of the Counter-Terrorism Committee.

In May 2003, a delegation of the League of Arab States met in Vienna with officials from the Terrorism Prevention Branch of the United Nations Office on Drugs and Crime to review the accession of Arab States to international instruments on counter-terrorism and to discuss the importance that these States attach to the United Nations Crime Prevention and Criminal Justice Programme. Responsibility for implementation of the programme falls to the United Nations Office on Drugs and Crime, particularly in connection with the provision of technical assistance to States wishing to sign and ratify the aforementioned international instruments in accordance with the relevant General Assembly resolutions and Security Council resolution 1373 (2001), and in particular to bring their domestic laws in line with the provisions contained in the said instruments.

In accordance with the resolutions and recommendations contained in the reports of the United Nations and concerning the links between terrorism and organized crime as well as between terrorism and the non-proliferation of weapons of mass destruction, several colloquiums have been organized, including the Arab colloquium on the United Nations Convention against Transnational Organized Crime (the Palermo Convention of March 2002) that was held, under the auspices of the Council of Arab Ministers of Justice, in the Sudan. The League and the Arab States also participated in an African colloquium on the Palermo Convention that took place in Algiers in October 2002 as well as in an Arab-international ministerial colloquium held in Siracusa (Italy) in December 2003, which dealt with the aforementioned Convention and its additional protocols and was organized in collaboration with the League of Arab States, the International Institute of Higher Studies in Criminal Sciences in Siracusa, the Italian Ministry of Justice and the competent United Nations bodies. The Institute had already hosted an Arab colloquium on combating terrorism, organized in collaboration with the League of Arab States. Recently the League took part, through the Technical Secretariat of the Council of Arab Ministers of Justice, in a seminar on cooperation in the area of the fight against terrorism and transnational organized crime, which took place in Khartoum from 17 to 19 January 2004 and was organized in collaboration with the United Nations Office on Drugs and Crime.

In the light of the note sent by the Director of the Department for Disarmament Affairs to the Secretary-General of the League of Arab States to request clarifications on the measures which the League had taken to implement the General Assembly resolution on measures to prevent terrorists from acquiring weapons of mass destruction, the General Secretariat of the League of Arab States submitted the question to the Council of Arab Ministers of Justice. The Executive Bureau of the latter adopted resolution 393, dated 29 April 2003, urging member States to communicate to the contact point responsible for maintaining liaison between the League and the Counter-Terrorism Committee their views, suggestions and ideas regarding General Assembly resolution 57/83 of 9 January 2003 on measures to prevent terrorists from acquiring weapons of mass destruction. Furthermore, the General Secretariat of the League is looking into the question, together with other bodies in member States responsible for supplying the information needed to reply to the United Nations note in this regard, which followed in the wake of another note on the same topic, pursuant to General Assembly resolution 58/48.

In this regard, it should be recalled that the Arab Convention on the Suppression of Terrorism prohibits the transport by any means of all dangerous substances that could be used as an instrument of death or destruction. Indeed, article 3 of the Convention stipulates that States parties shall endeavour "To develop and strengthen systems for the detection of the movement, importation, exportation, stockpiling and use of weapons, munitions and explosives and of other means of aggression, murder and destruction as well as procedures for monitoring their passage through customs and across borders in order to prevent their transfer from one Contracting State to another or to third-party States other than for lawful purposes". These provisions are in keeping with those in Security Council resolution 1373 (2001) as well as General Assembly resolutions 57/83 and 58/48 on measures to prevent terrorists from acquiring weapons of mass destruction.

Given the interest of the League of Arab States in the problem of links between terrorism and weapons of mass destruction, the legal administration of the

League has taken part, at the invitation of the Secretary-General of the International Criminal Police Organization (Interpol) in a colloquium that took place in Geneva from 22 to 25 April 2003 and dealt with the question of links between counter-terrorism and the dangers stemming from the proliferation of biological weapons. The League has also taken part in a similar colloquium, held in Washington on 14 May 2002, at the invitation of DePaul University in Chicago.

The League of Arab States has also participated, together with 75 States, in the first international summit of ministers of justice, heads of public prosecutor's offices and similar institutions, which was held in Guatemala from 2 to 5 February 2004. During that meeting, which was focused on strengthening international efforts to combat international terrorism and transnational organized crime, the League submitted a working document on the action it was taking in this area. It was decided that a second international summit of this kind would take place in Qatar in 2005.

In the most recent resolution adopted by the League of Arab States, meeting at the level of Arab Foreign Ministers during its twenty-first regular session on 3 March 2004, the Council once again condemned terrorism in all its forms and manifestations, whatever the motives or purposes, just as it denounced the attacks using explosives and the acts of terrorism to which the Kingdom of Morocco, the Kingdom of Saudi Arabia, Qatar and the Republic of Iraq had been subjected. Furthermore, it urged once again Arab States to communicate to the contact point responsible for maintaining liaison between the General Secretariat of the League of Arab States and the Counter-Terrorism Committee details of the measures taken by the League in the area of counter-terrorism. The Council also urged the General Secretariat of the League of Arab States and the Arab ministerial councils concerned to continue to cooperate with the competent United Nations bodies in the area of counter-terrorism and organized crime, and it emphasized the importance of ratifying and acceding to the international conventions on counter-terrorism.

The preceding paragraphs testify to the dynamic and effective role played by the League of Arab States and other bodies at the Arab, regional and international levels in efforts to combat and overcome terrorism.

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